

INTRODUCTION

This Manual of Model Civil Jury Instructions has been prepared to help judges communicate effectively with juries.

The instructions in this manual are models. They must be reviewed carefully before use in a particular case. They are not a substitute for the individual research and drafting that may be required in a particular case, nor are they intended to discourage judges from using their own forms and techniques for instructing juries. *McDowell v. Calderon*, 130 F.3d 833, 840 (9th Cir. 1997). While adaptation or tailoring may be necessary to fit a particular case or changing law, the format suggested may be used in most civil cases.

This edition contains two new sections. Chapter 13 contains instructions on sex discrimination and Chapter 15 includes instructions on the Americans with Disabilities Act. In addition, the intellectual property instructions—Chapters 18 (Trademark) and 20 (Copyright)—have been significantly augmented. All other sections, moreover, have been reviewed and revised for continued vitality.

This edition of the manual has one new feature. The committee has renumbered the instructions by eliminating the use of numbers with more than one decimal point. To assist users, the committee has included a table listing the old instruction numbers in the 1997 edition and the corresponding numbers in the 2001 edition.

The committee has continued the practice of date-coding the instructions. All instructions were reviewed by the committee for this edition, and each instruction is marked with a year indicating when the instruction was last revised (e.g., “Rev. 2001”). Users of the manual should check an instruction’s date to determine whether an instruction has been incorporated from a prior edition.

The model instructions also are available online by accessing the “Publications” area of the Ninth Circuit’s website at <http://www.ce9.uscourts.gov>. As instructions are revised, the committee will post them at that site.

These model instructions have been reviewed by various members of the federal bench and bar. The committee extends its thanks to those who reviewed and commented on various sections of the book. The committee extends its particular thanks to Ninth Circuit staff members Robin Donoghue and Jay C. Kim, and former staff member Julie Cobb Martel. The committee also extends its thanks to former staff member Joseph Franaszek, Esq., who has voluntarily assisted the committee after leaving federal employment. The committee also strongly encourages users of this book to make suggestions for further revisions and updates. A suggestion form has been included in the back of this book for that purpose.

NINTH CIRCUIT JURY COMMITTEE

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15.4A Manual Task as Major Life Activity – **New Section added 2/2003.**

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– **New Section added 3/2003**

11.8A Unlawful Detention in Connection with Execution of Search Warrant
– **New section added 11/2003**

Chapter 13 Sex Discrimination--Title VII is superseded by Chapter 12 Civil Rights--Title VII--Employment Discrimination; Harassment; Retaliation
– **Approved 8/2004**

CIVIL INSTRUCTIONS
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Introductory Comment

It is within the district court's discretion to provide the jury with preliminary instructions, including preliminary instructions regarding the claims and defenses. Preliminary jury instructions are intended to give the jury, briefly and in understandable language, information to make the trial more meaningful. Jurors should be cautioned that the formal instructions and definitions will be given at the end of trial. Erroneous pretrial instructions can be the basis for appeal. Caution, therefore, should be used in giving preliminary instructions when there is a dispute as to applicable law. *United States v. Marsh*, 144 F.3d 1229, 1238 (9th Cir.1998) (Ninth Circuit frequently utilizes the preliminary instructions in determining the adequacy of the instructions given at trial). *See also United States v. Hegwood*, 977 F.2d 492, 495 (9th Cir.1992) (absent defense objection, correct instruction at trial cured error in preliminary instruction), *cert. denied*, 508 U.S. 913 (1993); *Guam v. Ignacio*, 852 F.2d 459, 461 (9th Cir.1988).

1.1 DUTY OF JURY

Ladies and gentlemen: You are now the jury in this case, and I want to take a few minutes to tell you something about your duties as jurors and to give you some instructions. At the end of the trial, I will give you more detailed instructions. Those instructions will control your deliberations.

You should not take anything I may say or do during the trial as indicating what I think of the evidence or what your verdict should be.

Comment

See Instruction 3.1 (Duties of Jury to Find Facts and Follow Law) for an instruction at the end of the case.

1.2 CLAIMS AND DEFENSES

To help you follow the evidence, I will give you a brief summary of the positions of the parties:

The plaintiff claims that [*plaintiff's claims*].

The defendant denies those claims [and also contends that [*defendant's counterclaims and/or affirmative defenses*]].

[Plaintiff denies defendant's claims.]

1.3 WHAT IS EVIDENCE

The evidence you are to consider in deciding what the facts are consists of:

- (1) the sworn testimony of any witness;
- (2) the exhibits which are received into evidence; and
- (3) any facts to which the lawyers stipulate.

1.4 WHAT IS NOT EVIDENCE

The following things are not evidence, and you must not consider them as evidence in deciding the facts of this case:

- (1) statements and arguments of the attorneys;
- (2) questions and objections of the attorneys;
- (3) testimony that I instruct you to disregard; and
- (4) anything you may see or hear when the court is not in session even if what you see or hear is done or said by one of the parties or by one of the witnesses.

Comment

See Instruction 3.3 (What Is Not Evidence) for an instruction at the end of the case.

1.5 EVIDENCE FOR LIMITED PURPOSE

Some evidence may be admitted for a limited purpose only. When I instruct you that an item of evidence has been admitted for a limited purpose, you must consider it only for that limited purpose and for no other.

Comment

As a rule, limiting instructions need only be given when requested and need not be given *sua sponte* by the court. *United States v. McLennan*, 563 F.2d 943, 947–48 (9th Cir.1977), *cert. denied*, 435 U.S. 969 (1978).

See United States v. Marsh, 144 F.3d 1229, 1238 (9th Cir.1998) (when the trial court fails to instruct the jury in its final instructions regarding the receipt of evidence for a limited purpose, the Ninth Circuit examines the trial court's preliminary instructions to determine if the court instructed the jury on this issue).

See also Instructions 2.10 (Limited Purpose Evidence), 2.11 (Impeachment by Conviction of Crime), and 3.3 (What Is Not Evidence).

1.6 DIRECT AND CIRCUMSTANTIAL EVIDENCE

Evidence may be direct or circumstantial. Direct evidence is direct proof of a fact, such as testimony by a witness about what that witness personally saw or heard or did. Circumstantial evidence is proof of one or more facts from which you could find another fact. You should consider both kinds of evidence. The law makes no distinction between the weight to be given to either direct or circumstantial evidence. It is for you to decide how much weight to give to any evidence.

Comment

See Instruction 3.5 (Direct and Circumstantial Evidence) for an instruction at the end of case.

It may be helpful to include an illustrative example in the instruction:

By way of example, if you wake up in the morning and see that the sidewalk is wet, you may find from that fact that it rained during the night. However, other evidence, such as a turned on garden hose, may explain the presence of water on the sidewalk. Therefore, before you decide that a fact has been proved by circumstantial evidence, you must consider all the evidence in the light of reason, experience, and common sense.

1.7 RULING ON OBJECTIONS

There are rules of evidence that control what can be received into evidence. When a lawyer asks a question or offers an exhibit into evidence and a lawyer on the other side thinks that it is not permitted by the rules of evidence, that lawyer may object. If I overrule the objection, the question may be answered or the exhibit received. If I sustain the objection, the question cannot be answered, and the exhibit cannot be received. Whenever I sustain an objection to a question, you must ignore the question and must not guess what the answer might have been.

Sometimes I may order that evidence be stricken from the record and that you disregard or ignore the evidence. That means that when you are deciding the case, you must not consider the evidence that I told you to disregard.

Comment

See Instruction 3.3 (What Is Not Evidence) for an instruction at the end of the case.

1.8 CREDIBILITY OF WITNESSES

In deciding the facts in this case, you may have to decide which testimony to believe and which testimony not to believe. You may believe everything a witness says, or part of it, or none of it.

In considering the testimony of any witness, you may take into account:

- (1) the opportunity and ability of the witness to see or hear or know the things testified to;
- (2) the witness' memory;
- (3) the witness' manner while testifying;
- (4) the witness' interest in the outcome of the case and any bias or prejudice;
- (5) whether other evidence contradicted the witness' testimony;
- (6) the reasonableness of the witness' testimony in light of all the evidence; and
- (7) any other factors that bear on believability.

The weight of the evidence as to a fact does not necessarily depend on the number of witnesses who testify.

Comment

See Instruction 3.6 (Credibility of Witnesses) for an instruction at the end of the case.

1.9 CONDUCT OF THE JURY

I will now say a few words about your conduct as jurors.

First, you are not to discuss this case with anyone, including your fellow jurors, members of your family, people involved in the trial, or anyone else, nor are you allowed to permit others to discuss the case with you. If anyone approaches you and tries to talk to you about the case please let me know about it immediately;

Second, do not read any news stories or articles or listen to any radio or television reports about the case or about anyone who has anything to do with it;

Third, do not do any research, such as consulting dictionaries, searching the Internet or using other reference materials, and do not make any investigation about the case on your own;

Fourth, if you need to communicate with me simply give a signed note to the [bailiff] [clerk] [law clerk] [matron] to give to me; and

Fifth, do not make up your mind about what the verdict should be until after you have gone to the jury room to decide that case and you and your fellow jurors have discussed the evidence. Keep an open mind until then.

Comment

An abbreviated instruction should be repeated before the first recess and as needed before other recesses. *See* Instruction 2.1 (Cautionary Instruction at First Recess).

The practice in federal court of instructing jurors not to discuss the case until deliberations is widespread. *See, e.g., United States v. Pino–Noriega*, 189 F.3d 1089, 1096 (9th Cir.) ("There is a reason that most judges continually admonish their juries during trials not to discuss the evidence or begin deliberations until told to do so, after all of the evidence, argument, and instruction on the law has been received."), *cert. denied*, 528 U.S. 989 (1999).

1.10 NO TRANSCRIPT AVAILABLE TO JURY

At the end of the trial, you will have to make your decision based on what you recall of the evidence. You will not have a transcript of the trial. I urge you to pay close attention to the testimony as it is given.

Comment

The previous version of this instruction has been modified to delete the suggestion that readbacks are either unavailable or highly inconvenient. The practice of discouraging readbacks has been criticized in *United States v. Damsky*, 740 F.2d 134, 138 (2d Cir.), *cert. denied*, 469 U.S. 918 (1984). *See also* JURY COMMITTEE OF THE NINTH CIRCUIT, A MANUAL ON JURY TRIAL PROCEDURES, § 5.1.F (1998).

The court may wish to repeat this instruction in the instructions at the end of the trial.

1.11 TAKING NOTES

If you wish, you may take notes to help you remember what witnesses said. If you do take notes, please keep them to yourself until you and your fellow jurors go to the jury room to decide the case. Do not let note-taking distract you so that you do not hear other answers by witnesses. When you leave, your notes should be left in the [courtroom] [jury room] [envelope in the jury room].

Whether or not you take notes, you should rely on your own memory of what was said. Notes are only to assist your memory. You should not be overly influenced by the notes.

Comment

It is well settled in this circuit that the trial judge has discretion to allow jurors to take notes. *United States v. Baker*, 10 F.3d 1374, 1402 (9th Cir.1993), *cert. denied*, 513 U.S. 934 (1994). *See also* JURY COMMITTEE OF THE NINTH CIRCUIT, A MANUAL ON JURY TRIAL PROCEDURES, § 3.4 (1998).

1.12 OUTLINE OF TRIAL

The next phase of the trial will now begin. First, each side may make an opening statement. An opening statement is not evidence. It is simply an outline to help you understand what that party expects the evidence will show. A party is not required to make an opening statement.

The plaintiff will then present evidence, and counsel for the defendant may cross-examine. Then the defendant may present evidence, and counsel for the plaintiff may cross-examine.

After the evidence has been presented, [I will instruct you on the law that applies to the case and the attorneys will make closing arguments] [the attorneys will make closing arguments and I will instruct you on the law that applies to the case].

After that, you will go to the jury room to deliberate on your verdict.

1.13 BURDEN OF PROOF—PREPONDERANCE OF THE EVIDENCE

When a party has the burden of proof on any claim [or affirmative defense] by a preponderance of the evidence, it means you must be persuaded by the evidence that the claim [or affirmative defense] is more probably true than not true.

You should base your decision on all of the evidence, regardless of which party presented it.

Comment

See Chapter 5 regarding instructions on burdens of proof. This instruction may not apply to cases based on state law.

1.14 BURDEN OF PROOF—CLEAR AND CONVINCING EVIDENCE

When a party has the burden of proving any claim or defense by clear and convincing evidence, it means you must be persuaded by the evidence that the claim or defense is highly probable. Such evidence requires a higher standard of proof than proof by a preponderance of the evidence.

You should base your decision on all of the evidence, regardless of which party presented it.

Comment

See Colorado v. New Mexico, 467 U.S. 310, 316 (1984) (defining clear and convincing evidence).

In cases in which the preponderance of the evidence standard is not defined, it may be necessary to modify this instruction.

In certain civil cases, the higher standard of proof by "clear and convincing evidence" applies. *See, e.g.*, Instruction 18.19 (Defenses—Abandonment—Affirmative Defense—Defendant's Burden of Proof), or Instruction 18.21 (Defenses—Fair Use).

This instruction may not apply to cases based on state law.

1.15 QUESTIONS TO WITNESSES BY JURORS

Comment

The committee recommends against encouraging jurors to ask questions. "Questions by jurors during trial should not be encouraged or solicited." JURY COMMITTEE OF THE NINTH CIRCUIT, A MANUAL ON JURY TRIAL PROCEDURES, § 3.5 (1998) (citing *DeBenedetto v. Goodyear Tire & Rubber Co.*, 754 F.2d 512, 517 (4th Cir.1985)). "Juror questioning is a course fraught with peril for the trial court. No bright-line rule is adopted here, but the dangers in the practice are very considerable." *DeBenedetto*, 754 F.2d at 517.

However, if the court decides to give such an instruction, the following instruction may be used:

While it is not customary for a juror to ask a question of a witness, if you wish to do so, put the question in writing and hand it to the [marshal] [bailiff] [clerk] [law clerk].

The court and counsel will review your question. Do not be concerned if the question is not asked.

Do not discuss your question with anyone, including the [marshal] [bailiff] [clerk] [law clerk]. Remember that you are not to discuss the case with other jurors until it is submitted for your decision.

**1.16 JURY TO BE GUIDED BY
OFFICIAL ENGLISH TRANSLATION/INTERPRETATION**

[Language to be used] may be used during this trial.

The evidence you are to consider is only that provided through the official court [interpreters] [translators]. Although some of you may know [language to be used], it is important that all jurors consider the same evidence. Therefore, you must accept the English [interpretation] [translation]. You must disregard any different meaning.

Comment

The committee recommends that this instruction be given in every case where applicable. See *United States v. Franco*, 136 F.3d 622, 626 (9th Cir.1998); *United States v. Fuentes–Montijo*, 68 F.3d 352, 355–56 (9th Cir.1995).

See Instructions 2.8 (Transcript of Recording in Foreign Language) and 2.9 (Foreign Language Testimony).

See Instruction 3.4 (Jury to Be Guided by Official English Translation/ Interpretation) for an instruction at the end of the case.

2. INSTRUCTIONS DURING TRIAL

Analysis

Instruction

- 2.1 Cautionary Instruction—First Recess.
- 2.2 Bench Conferences and Recesses.
- 2.3 Stipulated Testimony.
- 2.4 Stipulations of Fact.
- 2.5 Judicial Notice.
- 2.6 Deposition as Substantive Evidence.
- 2.7 Transcript of Tape Recording.
- 2.8 Transcript of Recording in Foreign Language.
- 2.9 Foreign Language Testimony.
- 2.10 Limited Purpose Evidence.
- 2.11 Impeachment by Conviction of Crime.
- 2.12 Tests and Experiments.
- 2.13 Use of Interrogatories of a Party.

2.1 CAUTIONARY INSTRUCTION—FIRST RECESS

We are about to take our first break during the trial, and I want to remind you of the instruction I gave you earlier. Until the trial is over, you are not to discuss this case with anyone, including your fellow jurors, members of your family, people involved in the trial, or anyone else, nor are you allowed to permit others to discuss the case with you. If anyone approaches you and tries to talk to you about the case, please let me know about it immediately. Do not read or listen to any news reports of the trial. Finally, you are reminded to keep an open mind until all the evidence has been received and you have heard the arguments of counsel, the instructions of the court, and the views of your fellow jurors.

If you need to speak with me about anything, simply give a signed note to the [marshal] [bailiff] [clerk] [law clerk] to give to me.

I will not repeat these admonitions each time we recess or adjourn, but you will be reminded of them on such occasions.

2.2 BENCH CONFERENCES AND RECESSES

From time to time during the trial, it may become necessary for me to talk with the attorneys out of the hearing of the jury, either by having a conference at the bench when the jury is present in the courtroom, or by calling a recess. Please understand that while you are waiting, we are working. The purpose of these conferences is not to keep relevant information from you, but to decide how certain evidence is to be treated under the rules of evidence and to avoid confusion and error.

We will, of course, do what we can to keep the number and length of these conferences to a minimum. I may not always grant an attorney's request for a conference. Do not consider my granting or denying a request for a conference as any indication of my opinion of the case or of what your verdict should be.

2.3 STIPULATED TESTIMONY

The parties have agreed what [*witness*]'s testimony would be if called as a witness. You should consider that testimony in the same way as if it had been given here in court.

Comment

There is a difference between stipulating that a witness would give certain testimony and stipulating that the facts to which a witness might testify are true. *United States v. Lambert*, 604 F.2d 594, 595 (8th Cir.1979); *United States v. Hellman*, 560 F.2d 1235, 1236 (5th Cir.1977).

2.4 STIPULATIONS OF FACT

The parties have agreed to certain facts that have been stated to you. You should therefore treat these facts as having been proved.

Comment

When parties enter into stipulations as to material facts, those facts will be deemed to have been conclusively proved, and the jury may be so instructed. *United States v. Mikaelian*, 168 F.3d 380, 389 (9th Cir.) (citing *United States v. Houston*, 547 F.2d 104, 107 (9th Cir.1976)), *amended by* 180 F.3d 1091 (9th Cir.1999)).

2.5 JUDICIAL NOTICE

The court has decided to accept as proved the fact that [e.g., the city of San Francisco is north of the city of Los Angeles], even though no evidence has been introduced on the subject. You must accept this fact as true.

Comment

An instruction regarding judicial notice should be given at the time notice is taken. In civil cases, Fed. R. Evid. 201(g) permits the judge to determine that a fact is sufficiently undisputed to be judicially noticed and requires that the jury be instructed that it is required to accept that fact. *But see United States v. Chapel*, 41 F.3d 1338, 1342 (9th Cir.1994) (in a criminal case, "the trial court must instruct 'the jury that it may, but is not required to, accept as conclusive any fact judicially noticed.' ") (citing Fed. R. Evid. 201(g)); NINTH CIRCUIT MODEL CRIMINAL JURY INSTRUCTION 2.5 (2000) (Judicial Notice).

2.6 DEPOSITION AS SUBSTANTIVE EVIDENCE

[When a person is unavailable to testify at trial, the deposition of that person may be used at the trial.] A deposition is the sworn testimony of a witness taken before trial. The witness is placed under oath to tell the truth and lawyers for each party may ask questions. The questions and answers are recorded.

The deposition of [*witness*], which was taken on [*date*], is about to be presented to you. Deposition testimony is entitled to the same consideration and is to be judged, insofar as possible, in the same way as if the witness had been present to testify.

[Do not place any significance on the behavior or tone of voice of any person reading the questions or answers.]

Comment

This instruction should be used only when testimony by deposition is offered as substantive evidence. The committee recommends that it be given immediately before a deposition is to be read. It need not be repeated if more than one deposition is read. If the judge prefers to include the instruction as a part of his or her instructions before evidence, it should be modified appropriately.

2.7 TRANSCRIPT OF TAPE RECORDING

You are about to listen to a tape recording that has been received in evidence. Please listen to it very carefully. Each of you has been given a transcript of the recording to help you identify speakers and as a guide to help you listen to the tape. However, bear in mind that the tape recording is the evidence, not the transcript. If you hear something different from what appears in the transcript, what you heard is controlling. After the tape has been played, the transcript will be taken from you.

Comment

See United States v. Franco, 136 F.3d 622, 626 (9th Cir.1998) (the recording itself is the evidence to be considered; the transcript is merely an aid).

The committee recommends that this instruction be given immediately before a tape recording is played so that the jury is alerted to the fact that what they hear is controlling. It need not be repeated if more than one tape recording is played. However, it would be well to remind the jury that the tape recording and not the transcript is the evidence and that they should disregard anything in the transcript that they do not hear. If the instruction is also to be given as part of the closing instructions, it should be modified appropriately.

See also Instructions 2.8 (Transcript of Recording in Foreign Language) and 2.9 (Foreign Language Testimony), to be given during trial, and Instruction 3.4 (Jury to Be Guided by Official English Translation/Interpretation), to be given at end of case.

2.8 TRANSCRIPT OF RECORDING IN FOREIGN LANGUAGE

You are about to listen to a tape recording in [*language used*]. Each of you has been given a transcript of the recording that has been admitted into evidence. The transcript is a translation of the foreign language tape recording.

Although some of you may know [*language used*], it is important that all jurors consider the same evidence. The transcript is the evidence, not the tape recording. Therefore, you must accept the English translation contained in the transcript and disregard any different meaning.

Comment

This instruction is appropriate immediately prior to the jury hearing a tape-recorded conversation in a foreign language if the accuracy of the translation is not in issue. *See, e.g., United States v. Franco*, 136 F.3d 622, 626 (9th Cir.1998); *United States v. Fuentes–Montijo*, 68 F.3d 352, 355–56 (9th Cir.1995).

See Instruction 2.9 (Foreign Language Testimony) for an instruction to be used during trial and Instruction 3.4 (Jury to be Guided by Official English Translation/Interpretation) for an instruction at the end of the case.

2.9 FOREIGN LANGUAGE TESTIMONY

You are about to hear testimony of a witness who will be testifying in [*language used*]. This witness will testify through the official court interpreter. Although some of you may know [*language used*], it is important that all jurors consider the same evidence. Therefore, you must accept the English translation of the witness' testimony. You must disregard any different meaning.

Comment

Cf. United States v. Franco, 136 F.3d 622, 626 (9th Cir.1998) (jury properly instructed that it must accept translation of foreign language tape-recording where the accuracy of the translation is not in issue); *United States v. Fuentes–Montijo*, 68 F.3d 352, 355–56 (9th Cir.1995).

See Instruction 2.8 (Foreign Language Transcripts) for an instruction to be used during trial and Instruction 3.4 (Jury to be Guided by Official English Translation/Interpretation) for an instruction at the end of the case.

2.10 LIMITED PURPOSE EVIDENCE

The testimony [you are about to hear] [you have just heard] may be considered only for the limited purpose of [*describe purpose*] and for no other purpose.

Comment

If this instruction is given during the trial, the committee recommends giving the bracketed material in paragraph 3 of Instruction 3.3 (What Is Not Evidence) with the concluding instructions. *See also* Instruction 2.11 (Impeachment By Conviction of Crime).

2.11 IMPEACHMENT BY CONVICTION OF CRIME

The evidence that a witness has been convicted of a crime may be considered only as it may affect the believability of that witness and for no other purpose.

Comment

If this instruction is given during the trial, the committee recommends giving the bracketed material in paragraph 3 of Instruction 3.3 (What Is Not Evidence) with the concluding instructions. *See also* Instruction 2.10 (Limited Purpose Evidence).

2.12 TESTS AND EXPERIMENTS

Arrangements have been made to conduct a test or experiment.

Observe the conditions under which that test or experiment is made. These conditions may or may not duplicate the conditions and other circumstances that existed at the time and place of the incident involved in this case.

It is for you to decide what weight, if any, you give to the test or experiment.

2.13 USE OF INTERROGATORIES OF A PARTY

Evidence is now to be presented to you in the form of answers of one of the parties to written interrogatories submitted by the other side. These answers have been given in writing and under oath, before the actual trial, in response to questions which were submitted in writing under established court procedures. The answers are entitled to the same consideration and are to be judged as to credibility and weight, and otherwise considered by you insofar as possible, as if the answers were made from the witness stand.

Comment

Use this oral instruction before interrogatories and answers are read to the jury. The attorney should warn the judge ahead of time and give the judge an opportunity to give this oral instruction. This oral instruction is not appropriate if answers to interrogatories are being used for impeachment only.

Do not use this instruction for requests for admission under Fed. R. Civ. P. 36. The effect of requests for admission under the rule is not the same as the introduction of evidence through interrogatories. If an instruction is needed, a special one will have to be drafted.

3. INSTRUCTIONS AT END OF CASE

Analysis

Instruction

Introductory Comment.

3.0 Cover Sheet.

3.1 Duties of Jury to Find Facts and Follow Law.

3.2 What Is Evidence.

3.3 What Is Not Evidence.

3.4 Jury to Be Guided by Official English Translation/Interpretation.

3.5 Direct and Circumstantial Evidence.

3.6 Credibility of Witnesses.

3.7 Opinion Evidence, Expert Witnesses.

3.8 Causation.

3.9 Charts and Summaries Not Received in Evidence.

3.10 Charts and Summaries in Evidence.

3.11 Two or More Parties—Different Legal Rights.

3.12 Impeachment Evidence—Witness

INTRODUCTORY COMMENT

Fed. R. Civ. P. 51 permits the court to instruct the jury "before or after arguments, or both."

3.0 COVER SHEET

IN THE UNITED STATES DISTRICT COURT
_____ DISTRICT OF _____

_____)	
)	
Plaintiff,)	
)	
v.)	
)	
)	No. _____
)	
_____)	
)	
Defendant)	
)	
_____)	

JURY INSTRUCTIONS

DATED: _____

UNITED STATES DISTRICT JUDGE

3.1 DUTIES OF JURY TO FIND FACTS AND FOLLOW LAW

Members of the jury, now that you have heard all the evidence [and the arguments of the attorneys], it is my duty to instruct you on the law which applies to this case. A copy of these instructions will be available in the jury room for you to consult if you find it necessary.

It is your duty to find the facts from all the evidence in the case. To those facts you will apply the law as I give it to you. You must follow the law as I give it to you whether you agree with it or not. You must not be influenced by any personal likes or dislikes, opinions, prejudices, or sympathy. That means that you must decide the case solely on the evidence before you. You will recall that you took an oath promising to do so at the beginning of the case.

In following my instructions, you must follow all of them and not single out some and ignore others; they are all equally important. You must not read into these instructions or into anything the court may have said or done any suggestion as to what verdict you should return—that is a matter entirely up to you.

Comment

See JURY COMMITTEE OF THE NINTH CIRCUIT, A MANUAL ON JURY TRIAL PROCEDURES, § 4.3.B and § 4.3.C (1998).

See also Fed. R. Civ. P. 51.

3.2 WHAT IS EVIDENCE

The evidence from which you are to decide what the facts are consists of:

- (1) the sworn testimony of any witness;
- (2) the exhibits which have been received into evidence; and
- (3) any facts to which the lawyers have agreed or stipulated.

Comment

See United States v. Mikaelian, 168 F.3d 380, 389 (9th Cir.) (material facts to which the parties voluntarily stipulate are to be treated as "conclusively established") (citing *United States v. Houston*, 547 F.2d 104, 107 (9th Cir.1976)), *amended by* 180 F.3d 1091 (9th Cir.1999).

3.3 WHAT IS NOT EVIDENCE

In reaching your verdict, you may consider only the testimony and exhibits received into evidence. Certain things are not evidence, and you may not consider them in deciding what the facts are. I will list them for you:

(1) Arguments and statements by lawyers are not evidence. The lawyers are not witnesses. What they have said in their opening statements, [will say in their] closing arguments, and at other times is intended to help you interpret the evidence, but it is not evidence. If the facts as you remember them differ from the way the lawyers have stated them, your memory of them controls.

(2) Questions and objections by lawyers are not evidence. Attorneys have a duty to their clients to object when they believe a question is improper under the rules of evidence. You should not be influenced by the objection or by the court's ruling on it.

(3) Testimony that has been excluded or stricken, or that you have been instructed to disregard, is not evidence and must not be considered. [In addition some testimony and exhibits have been received only for a limited purpose; where I have given a limiting instruction, you must follow it.]

(4) Anything you may have seen or heard when the court was not in session is not evidence. You are to decide the case solely on the evidence received at the trial.

Comment

With regard to the bracketed material in paragraph 3, see Instructions 1.5 (Evidence for Limited Purpose), 2.10 (Limited Purpose Evidence), and 2.11 (Impeachment by Conviction of Crime).

3.4 JURY TO BE GUIDED BY OFFICIAL ENGLISH TRANSLATION/INTERPRETATION

[Languages[s] used] [have] [has] been used during this trial.

The evidence you are to consider is only that provided through the official court [interpreters] [translators]. Although some of you may know [language[s] used], it is important that all jurors consider the same evidence. Therefore, you must base your decision on the evidence presented in the English [interpretation] [translation]. You must disregard any different meaning.

Comment

Where there is no dispute as to the accuracy of the translation of a tape-recording of a foreign language conversation, the jury must be instructed that "it is not free to disagree with a translated transcript of a tape-recording." *United States v. Franco*, 136 F.3d 622, 626 (9th Cir.1998)(to hold otherwise would be "nonsensical"). *See also United States v. Rrapi*, 175 F.3d 742, 748 (9th Cir.1999); *United States v. Fuentes–Montijo*, 68 F.3d 352, 355–56 (9th Cir.1995).

3.5 DIRECT AND CIRCUMSTANTIAL EVIDENCE

Evidence may be direct or circumstantial. Direct evidence is direct proof of a fact, such as testimony by a witness about what the witness personally saw or heard or did. Circumstantial evidence is proof of one or more facts from which you could find another fact. You should consider both kinds of evidence. The law makes no distinction between the weight to be given to either direct or circumstantial evidence. It is for you to decide how much weight to give to any evidence.

3.6 CREDIBILITY OF WITNESSES

In deciding the facts in this case, you may have to decide which testimony to believe and which testimony not to believe. You may believe everything a witness says, or part of it, or none of it.

In considering the testimony of any witness, you may take into account:

- (1) the opportunity and ability of the witness to see or hear or know the things testified to;
- (2) the witness' memory;
- (3) the witness' manner while testifying;
- (4) the witness' interest in the outcome of the case and any bias or prejudice;
- (5) whether other evidence contradicted the witness' testimony;
- (6) the reasonableness of the witness' testimony in light of all the evidence; and
- (7) any other factors that bear on believability.

The weight of the evidence as to a fact does not necessarily depend on the number of witnesses who testify.

3.7 OPINION EVIDENCE, EXPERT WITNESSES

You have heard testimony from [a] person[s] who, because of education or experience, [is] [are] permitted to state opinions and the reasons for those opinions.

Opinion testimony should be judged just like any other testimony. You may accept it or reject it, and give it as much weight as you think it deserves, considering the witness' education and experience, the reasons given for the opinion, and all the other evidence in the case.

Comment

See Fed. R. Evid. 602, 701–05.

The committee recommends that this instruction be given only upon request. Since expert testimony is so common in modern jury trials, there is no good reason why it should be treated differently from other testimony.

3.8 CAUSATION

Comment

The committee recommends the use of "cause" rather than "legal cause" or "proximate cause." There is not a uniform causation standard for either federal or state claims. Separate causation instructions are included with specific federal actions covered in this work. *See, e.g.*, Instructions 8.4 (FELA—Causation) and 9.4 (Jones Act—Negligence Claim—Causation).

State law on causation must be carefully reviewed for diversity or supplemental (pendent) claims. State standards vary widely and are subject to change. *See, e.g., Mitchell v. Gonzales*, 54 Cal.3d 1041, 1045, 1 Cal.Rptr.2d 913, 918, 819 P.2d 872, 877 (1991) ("We think it unwise to underestimate the problems associated with the term 'proximate cause.'").

The terms "proximate cause" and "legal cause" are not uniformly defined and should be used only with the correct definition for the issues before the court.

See Comment to Instruction 7.1 (Damages—Proof).

3.9 CHARTS AND SUMMARIES NOT RECEIVED IN EVIDENCE

Certain charts and summaries that have not been received in evidence have been shown to you in order to help explain the contents of books, records, documents, or other evidence in the case. They are not themselves evidence or proof of any facts. If they do not correctly reflect the facts or figures shown by the evidence in the case, you should disregard these charts and summaries and determine the facts from the underlying evidence.

Comment

This instruction applies only where the charts and summaries are not received into evidence and are used for demonstrative purposes. *See United States v. Johnson*, 594 F.2d 1253, 1254–55 (9th Cir.), *cert. denied*, 444 U.S. 964 (1979). *See also* JURY COMMITTEE OF THE NINTH CIRCUIT, A MANUAL ON JURY TRIAL PROCEDURES § 3.10 (1998).

3.10 CHARTS AND SUMMARIES IN EVIDENCE

Certain charts and summaries have been received into evidence to illustrate information brought out in the trial. Charts and summaries are only as good as the underlying evidence that supports them. You should, therefore, give them only such weight as you think the underlying evidence deserves.

Comment

See Fed. R. Evid. 1006. *See also* JURY COMMITTEE OF THE NINTH CIRCUIT, A MANUAL ON JURY TRIAL PROCEDURES § 3.10 (1998). This instruction may be unnecessary if there is no dispute as to the accuracy of the chart or summary.

3.11 TWO OR MORE PARTIES—DIFFERENT LEGAL RIGHTS

You should decide the case as to each [plaintiff] [defendant] [party] separately. Unless otherwise stated, the instructions apply to all parties.

3.12 IMPEACHMENT EVIDENCE—WITNESS

You have heard evidence that [*witness*], a witness, [e.g. has been convicted of a felony, lied under oath on a prior occasion, etc.]. You may consider this evidence, along with other pertinent evidence, in deciding whether or not to believe this witness and how much weight to give to the testimony of that witness.

Comment

Fed. R. Evid. 608 (Evidence of Character and Conduct of Witness) and 609 (Impeachment By Evidence of Conviction of Crime) place restrictions on the use of instances of past conduct and convictions to impeach a witness, and Fed. R. Evid. 105 (Limited Admissibility) gives a defendant the right to request a limiting instruction explaining that the use of this evidence is limited to credibility of the witness.

4. CONCLUDING INSTRUCTIONS—JURY DELIBERATIONS

Analysis

Instruction

- 4.1 Duty to Deliberate.
- 4.2 Use of Notes.
- 4.3 Communication With Court.
- 4.4 Return of Verdict.
- 4.5 Additional Instructions of Law.
- 4.6 Deadlocked Jury.

4.1 DUTY TO DELIBERATE

When you begin your deliberations, you should elect one member of the jury as your presiding juror. That person will preside over the deliberations and speak for you here in court.

You will then discuss the case with your fellow jurors to reach agreement if you can do so. Your verdict must be unanimous.

Each of you must decide the case for yourself, but you should do so only after you have considered all of the evidence, discussed it fully with the other jurors, and listened to the views of your fellow jurors.

Do not be afraid to change your opinion if the discussion persuades you that you should. Do not come to a decision simply because other jurors think it is right.

It is important that you attempt to reach a unanimous verdict but, of course, only if each of you can do so after having made your own conscientious decision. Do not change an honest belief about the weight and effect of the evidence simply to reach a verdict.

4.2 USE OF NOTES

Some of you have taken notes during the trial. Whether or not you took notes, you should rely on your own memory of what was said. Notes are only to assist your memory. You should not be overly influenced by the notes.

4.3 COMMUNICATION WITH COURT

If it becomes necessary during your deliberations to communicate with me, you may send a note through the [marshal] [bailiff], signed by your presiding juror or by one or more members of the jury. No member of the jury should ever attempt to communicate with me except by a signed writing; and I will communicate with any member of the jury on anything concerning the case only in writing, or here in open court. If you send out a question, I will consult with the parties before answering it, which may take some time. You may continue your deliberations while waiting for the answer to any question. Remember that you are not to tell anyone—including me—how the jury stands, numerically or otherwise, until after you have reached a unanimous verdict or have been discharged. Do not disclose any vote count in any note to the court.

4.4 RETURN OF VERDICT

A verdict form has been prepared for you. [*Any explanation of the verdict form may be given at this time.*] After you have reached unanimous agreement on a verdict, your presiding juror will fill in the form that has been given to you, sign and date it, and advise the court that you are ready to return to the courtroom.

Comment

The judge may also wish to explain to the jury the particular form of verdict being used and just how to "advise the court" of a verdict.

4.5 ADDITIONAL INSTRUCTIONS OF LAW

At this point I will give you a further instruction. By giving a further instruction at this time, I do not mean to emphasize this instruction over any other instruction.

You are not to attach undue importance to the fact that this was read separately to you. You shall consider this instruction together with all of the other instructions that were given to you.

[Insert text of new instruction.]

You will now retire to the jury room and continue your deliberations.

Comment

Use this oral instruction for giving a jury instruction to a jury while it is deliberating. If the jury has a copy of the instructions, send the additional instruction to the jury room. All attorneys must be given an opportunity to be present. Unless the additional instruction is by consent of both parties, both sides must be given an opportunity to take exception or object to it. If this instruction is used, it should be made a part of the record. The judge and attorneys should make a full record of the proceedings.

See JURY COMMITTEE OF THE NINTH CIRCUIT, A MANUAL ON JURY TRIAL PROCEDURES, § 5.1.E (1998 & Supp. 2000).

4.6 DEADLOCKED JURY

Members of the jury, you have advised that you have been unable to agree upon a verdict in this case. I have decided to suggest a few thoughts to you.

As jurors, you have a duty to discuss the case with one another and to deliberate in an effort to reach a unanimous verdict if each of you can do so without violating your individual judgment and conscience. Each of you must decide the case for yourself, but only after you consider the evidence impartially with your fellow jurors. During your deliberations, you should not hesitate to reexamine your own views and change your opinion if you become persuaded that it is wrong. However, you should not change an honest belief as to the weight or effect of the evidence solely because of the opinions of your fellow jurors or for the mere purpose of returning a verdict.

All of you are equally honest and conscientious jurors who have heard the same evidence. All of you share an equal desire to arrive at a verdict. Each of you should ask yourself whether you should question the correctness of your present position.

I remind you that in your deliberations you are to consider the instructions I have given you as a whole. You should not single out any part of any instruction, including this one, and ignore others. They are all equally important.

You may now retire and continue your deliberations.

Comment

The committee recommends that a supplemental instruction to encourage a deadlocked jury to reach a verdict should be given with great caution.

An earlier form of instruction for a deadlocked jury was approved by the Supreme Court in *Allen v. United States*, 164 U.S. 492, 501 (1896).

Before giving any supplemental jury instruction to a deadlocked jury, the committee recommends the court review *United States v. Wills*, 88 F.3d 704 (9th Cir.), *cert. denied*, 519 U.S. 1000 (1996); *United States v. Ajiboye*, 961 F.2d 892 (9th Cir.1992); *United States v. Nickell*, 883 F.2d 824 (9th Cir.1989); *United States v. Seawell*, 550 F.2d 1159 (9th Cir.1977), *appeal after remand*, 583 F.2d 416 (9th Cir.), *cert. denied*, 439 U.S. 991 (1978); and the JURY COMMITTEE OF THE NINTH CIRCUIT, A MANUAL ON JURY TRIAL PROCEDURES, § 5.5 (1998 & Supp. 2000).

5. BURDENS OF PROOF

Analysis

Instruction

- 5.1 Burden of Proof—Preponderance of the Evidence.
- 5.2 Burden of Proof—Clear and Convincing Evidence.
- 5.3 Complete Affirmative Defense.

5.1 BURDEN OF PROOF—PREPONDERANCE OF THE EVIDENCE

When a party has the burden of proof on any claim [or affirmative defense] by a preponderance of the evidence, it means you must be persuaded by the evidence that the claim [or affirmative defense] is more probably true than not true.

You should base your decision on all of the evidence, regardless of which party presented it.

5.2 BURDEN OF PROOF—CLEAR AND CONVINCING EVIDENCE

When a party has the burden of proof on any claim [or affirmative defense] by clear and convincing evidence, it means you must be persuaded by the evidence that it is highly probable that the claim [or affirmative defense] is true. The clear and convincing evidence standard is a heavier burden than the preponderance of the evidence standard.

You should base your decision on all of the evidence, regardless of which party presented it.

Comment

In *Cruzan v. Director, Missouri Department of Health*, 497 U.S. 261, 282 (1990), the Supreme Court described the clear and convincing standard as an intermediate standard of proof. *See also Murphy v. I.N.S.*, 54 F.3d 605, 610 (9th Cir.1995) (the burden of proving a matter by clear and convincing evidence is "a heavier burden than the preponderance of the evidence standard") (quoting NINTH CIRCUIT MODEL CIVIL JURY INSTRUCTION 5.02 (1993)).

In federal cases, the "highly probable" standard has been used in explaining the meaning of clear and convincing evidence. *See, e.g., Colorado v. New Mexico*, 467 U.S. 310, 316 (1984); *Cornell v. Nix*, 119 F.3d 1329, 1334–35 (8th Cir.1997).

5.3 COMPLETE AFFIRMATIVE DEFENSE

On any claim, if you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff on that claim, unless you also find that the defendant has proved an affirmative defense, in which event your verdict should be for the defendant on that claim.

Comment

There may be occasions when a unanimity instruction needs to be added for a claim or affirmative defense. *See Jazzabi v. Allstate Ins. Co.* 278 F.3d 979 (“Liability cannot be established until after the jurors unanimously agree that the elements are satisfied and they unanimously reject the affirmative defenses.”).

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6. VICARIOUS LIABILITY; INDEPENDENT CONTRACTORS

Analysis

Instruction

Introductory Comment.

6.1 Corporations and Partnerships—Fair Treatment.

6.2 Liability of Corporations—Scope of Authority Not in Issue.

6.3 Liability of Partnerships—Scope of Authority Not in Issue.

6.4 Agent and Principal—Definition.

6.5 Agent—Scope of Authority Defined.

6.6 Act of Agent Is Act of Principal—Scope of Authority Not in Issue.

6.7 Both Principal and Agent Sued—No Issue as to Agency or Authority.

6.8 Principal Sued but Not Agent—No Issue as to Agency or Authority.

6.9 Both Principal and Agent Sued—Agency or Authority Denied.

6.10 Principal Sued but Not Agent—Agency or Authority Denied.

6.11 Independent Contractor—Definition.

6.12 General Partnership—Definition.

6.13 General Partnership—Scope of Partnership Business Defined.

6.14 General Partnership—Act of Partner Is Act of All Partners.

6.15 General Partnership—Liability of Partner—No Issue as to Partnership, Agency, or Scope of Authority.

6.16 Partnership—Existence Admitted—Scope of Partnership Business in Issue—Effect.

6.17 Partnership—Existence of Partnership in Issue—Effect.

INTRODUCTORY COMMENT

This chapter contains generic instructions. Modifications may be necessary in order to conform to state law applicable to any specific case.

6.1 CORPORATIONS AND PARTNERSHIPS—FAIR TREATMENT

All parties are equal before the law and a [corporation] [partnership] is entitled to the same fair and conscientious consideration by you as any party.

6.2 LIABILITY OF CORPORATIONS—SCOPE OF AUTHORITY NOT IN ISSUE

Under the law, a corporation is considered to be a person. It can only act through its employees, agents, directors, or officers. Therefore, a corporation is responsible for the acts of its employees, agents, directors, and officers performed within the scope of authority.

6.3 LIABILITY OF PARTNERSHIPS—SCOPE OF AUTHORITY NOT IN ISSUE

A partnership can only act through its employees, agents, or partners. Therefore, a partnership is responsible for the acts of its employees, agents, and partners performed within the scope of authority.

6.4 AGENT AND PRINCIPAL—DEFINITION

An agent is a person who performs services for another person under an express or implied agreement and who is subject to the other's control or right to control the manner and means of performing the services. The other person is called a principal. [One may be an agent without receiving compensation for services.] [The agency agreement may be oral or written.]

6.5 AGENT—SCOPE OF AUTHORITY DEFINED

An agent is acting within the scope of authority if the agent is engaged in the performance of duties which were expressly or impliedly assigned to the agent by the principal.

**6.6 ACT OF AGENT IS ACT OF PRINCIPAL—
SCOPE OF AUTHORITY NOT IN ISSUE**

Any act or omission of an agent within the scope of authority is the act or omission of the principal.

6.7 BOTH PRINCIPAL AND AGENT SUED— NO ISSUE AS TO AGENCY OR AUTHORITY

The defendants are sued as principal and agent. The defendant [principal's name] is the principal and the defendant [agent's name] is the agent. If you find against [agent's name], then you must also find against [principal's name]. However, if you find for [agent's name], then you must also find for [principal's name].

6.8 PRINCIPAL SUED BUT NOT AGENT—NO ISSUE AS TO AGENCY OR AUTHORITY

[Agent's name] was the agent of the defendant [principal's name], and, therefore, any act or omission of [agent's name] was the act or omission of [principal's name].

6.9 BOTH PRINCIPAL AND AGENT SUED—AGENCY OR AUTHORITY DENIED

[Defendant [alleged principal's name] is sued as the principal and the defendant [alleged agent's name] as the agent. [It is denied that any agency existed.] [It is [also] denied that [alleged agent's name] was acting within the scope of authority as an agent of [alleged principal's name].]]

If you find that [alleged agent's name] [was the agent of [alleged principal's name]] [and] [was acting within the scope of authority], and if you find against [alleged agent's name], then you must also find against [alleged principal's name]. If you do not find against [alleged agent's name], then you must find for both [alleged principal's name] and [alleged agent's name].

If you find against [alleged agent's name], but do not find that [alleged agent's name] was acting within the scope of authority as an agent of [alleged principal's name], then you must find that [alleged principal's name] is not liable.

6.10 PRINCIPAL SUED BUT NOT AGENT—AGENCY OR AUTHORITY DENIED

The defendant [*alleged principal's name*] is sued as a principal. The plaintiff claims that [*alleged agent's name*] was acting as [*alleged principal's name*]'s agent. [*Alleged principal's name*] [denies that [*alleged agent's name*] was acting as [*alleged principal's name*]'s agent] [admits that [*alleged agent's name*] was acting as [*alleged principal's name*]'s agent] [and] [denies that [*alleged agent's name*] was acting within the scope of authority.]

If you find that [*alleged agent's name*] [was the agent of [*alleged principal's name*] and] was acting within the scope of authority, then any act or omission of [*alleged agent's name*] was the act or omission of [*alleged principal's name*].

If you find that [*alleged agent's name*] was not acting within the scope of authority as [*alleged principal's name*]'s agent, then you must find for [*alleged principal's name*].

6.11 INDEPENDENT CONTRACTOR—DEFINITION

An independent contractor is a person who performs services for another person under an express or implied agreement and who is not subject to the other's control, or right to control, the manner and means of performing the services.

One who engages an independent contractor is not liable to others for the acts or omissions of the independent contractor.

Comment

The second paragraph of this instruction does not apply to non-delegable duties. See the Comment to Instruction 20.9 (Copyright Interests—Work Made for Hire); *Community for Creative Non-Violence v. Reid*, 490 U.S. 730–40 (1989) (definition of independent contractor).

6.12 GENERAL PARTNERSHIP—DEFINITION

A partnership is an association of two or more persons to carry on a business as co-owners. The members of a partnership are called partners.

6.13 GENERAL PARTNERSHIP—SCOPE OF PARTNERSHIP BUSINESS DEFINED

A partner is acting within the scope of the partnership business when doing anything which is either expressly or impliedly authorized by the partnership or which is in furtherance of the partnership business.

6.14 GENERAL PARTNERSHIP—ACT OF PARTNER IS ACT OF ALL PARTNERS

An act or omission of a partner within the scope of the partnership business is the act or omission of all partners.

**6.15 GENERAL PARTNERSHIP—LIABILITY OF PARTNER—
NO ISSUE AS TO PARTNERSHIP, AGENCY, OR SCOPE OF AUTHORITY**

The defendants [*names of partners*] are partners. [*Name of partner*] was acting on behalf of the partnership and within the scope of authority. Therefore, if you decide for the plaintiff, your verdict must be against all of the partners.

**6.16 PARTNERSHIP—EXISTENCE ADMITTED—SCOPE OF PARTNERSHIP
BUSINESS IN ISSUE—EFFECT**

The defendant [*acting partner*] and the defendant [*nonacting partner*] are partners.

It is denied that [*acting partner*] was acting within the scope of the partnership business.

If the defendant [*acting partner*] was acting within the scope of the partnership business, and if you find against [*acting partner*], then you must find against [both] [all] defendants.

If you find for [*acting partner*], then you must find for [all] [both] defendants.

If you find against [*acting partner*], but you do not find that [*acting partner*] was acting within the scope of the partnership business, then you must find for the defendant [*nonacting partner*].

6.17 PARTNERSHIP—EXISTENCE OF PARTNERSHIP IN ISSUE—EFFECT

The defendant [*acting partner*] and the defendant [*nonacting partners*] are sued as partners.

It is denied that any partnership existed.

If you find that [*acting partner*] and [*nonacting partners*] were partners and that [*acting partner*] was acting within the scope of the partnership business, and if you find against [*acting partner*], then you must find against [both] [all] defendants.

If you find against [*acting partner*], but you either find there was no partnership or that [*acting partner*] was not acting within the scope of the partnership business, then, in either case, you must find for the defendant [*nonacting partners*].

If you find for [*acting partner*], then you must find for [both] [all] of the defendants.

7. DAMAGES

Analysis

Instruction

- 7.1 Damages—Proof.
- 7.2 Measures of Types of Damages.
- 7.3 Damages—Mitigation.
- 7.4 Damages Arising in the Future—Discount to Present Cash Value.
- 7.5 Punitive Damages.
- 7.6 Nominal Damages.

7.1 DAMAGES—PROOF

It is the duty of the Court to instruct you about the measure of damages. By instructing you on damages, the Court does not mean to suggest for which party your verdict should be rendered.

If you find for the plaintiff [on plaintiff's ____ claim], you must determine the plaintiff's damages. The plaintiff has the burden of proving damages by a preponderance of the evidence. Damages means the amount of money which will reasonably and fairly compensate the plaintiff for any injury you find was caused by the defendant. You should consider the following:

[Here insert types of damages. See Instruction 7.2—MEASURES OF TYPES OF DAMAGES]

The plaintiff has the burden of proving damages by a preponderance of the evidence, and it is for you to determine what damages, if any, have been proved.

Your award must be based upon evidence and not upon speculation, guesswork or conjecture.

Comment

If liability is not disputed, this instruction should be modified accordingly.

7.2 MEASURES OF TYPES OF DAMAGES

In determining the measure of damages, you should consider:

[The nature and extent of the injuries;]

[The [disability] [disfigurement] [loss of enjoyment of life] experienced [and which with reasonable probability will be experienced in the future];]

[The [mental,] [physical,] [emotional] pain and suffering experienced [and which with reasonable probability will be experienced in the future];]

[The reasonable value of necessary medical care, treatment, and services received to the present time;]

[The reasonable value of necessary medical care, treatment, and services which with reasonable probability will be required in the future;]

[The reasonable value of [wages] [earnings] [earning capacity] [salaries] [employment] [business opportunities] [employment opportunities] lost to the present time;]

[The reasonable value of [wages] [earnings] [earning capacity] [salaries] [employment] [business opportunities] [employment opportunities] which with reasonable probability will be lost in the future;]

[The reasonable value of necessary [household help] [services other than medical] [and] [expenses] [_____] required to the present time;]

[The reasonable value of necessary [household help] [services other than medical] [and] [expenses] [_____] which with reasonable probability will be required in the future;]

[The reasonable value of necessary repairs to any property which was damaged;]

[The difference between the fair market value of any damaged property immediately before the occurrence and its fair market value immediately thereafter;] [and]

[The reasonable value of necessary repairs to any property which was damaged plus the difference between the fair market value of the property immediately before the occurrence and its fair market value after it is repaired.]

[The lesser of the following:

1. the reasonable cost of necessary repairs to any property which was damaged plus the difference between the fair market value of the property immediately before the occurrence and its fair market value after it is repaired; or

2. the difference between the fair market value of the property immediately before the occurrence and the fair market value of the unrepaired property immediately after the occurrence.]

[Such sum as will reasonably compensate for any loss of use of any damaged property during the time reasonably required for its [repair] [replacement].]

Comment

Insert only the appropriate bracketed items into Instruction 7.1 (Damages—Proof). Additional paragraphs may have to be drafted to fit other types of damages. Particular claims may have special rules on damages. *See, e.g.*, Instructions 9.9 (Negligence or Unseaworthiness—Damages—Proof), 9.11 (Jones Act—Maintenance and Cure), and 14.10 (Age Discrimination—Damages).

Punitive and compensatory damages are subject to caps in Title VII cases. *See* 42 U.S.C. 1981a (b)(3). Regarding the amount of damages available under Title VII, *see Gotthardt v. National Railroad Passenger Corp.*, 191 F.3d 1148 (9th Cir.1999). The cap does not apply to front pay and back pay. *See Pollard v. E.I. du Pont de Nemours & Company*, ___ U.S. ___, 121 S.Ct. 1946 (2001). *See also Caudle v. Bristow Optical Co.*, 224 F.3d 1014, 1020 (9th Cir.2000) (includes the definition of front pay and back pay); Introductory Comment to Chapter 12.

7.3 DAMAGES—MITIGATION

The plaintiff has a duty to use reasonable efforts to mitigate damages. To mitigate means to avoid or reduce damages.

The defendant has the burden of proving by a preponderance of the evidence:

1. that the plaintiff failed to use reasonable efforts to mitigate damages; and
2. the amount by which damages would have been mitigated.

Comment

The trier-of-fact is to mitigate damages by discounting awards to present value when there has been received into evidence appropriate discount rates. *Passantino v. Johnson & Johnson Consumer Products, Inc.* 212 F.3d 493, 509 (9th Cir.2000).

7.4 DAMAGES ARISING IN THE FUTURE— DISCOUNT TO PRESENT CASH VALUE

[Any award for future economic damages must be for the present cash value of those damages.]

[Noneconomic damages [such as] [pain and suffering] [disability] [disfigurement] [and] [____] are not reduced to present cash value.]

Present cash value means the sum of money needed now, which, when invested at a reasonable rate of return, will pay future damages at the times and in the amounts that you find the damages [will be incurred] [or] [would have been received].

The rate of return to be applied in determining present cash value should be the interest that can reasonably be expected from safe investments that can be made by a person of ordinary prudence, who has ordinary financial experience and skill. [You should also consider decreases in the value of money which may be caused by future inflation.]

Comment

There must be evidence to support this instruction. *See Monessen Southwestern Ry. v. Morgan*, 486 U.S. 330, 339–42 (1988). *See also Passantino v. Johnson & Johnson Consumer Products, Inc.* 212 F.3d 493, 508–509 (9th Cir.2000).

7.5 PUNITIVE DAMAGES

If you find for the plaintiff, you may, but are not required to, award punitive damages. The purposes of punitive damages are to punish a defendant and to deter a defendant and others from committing similar acts in the future.

The plaintiff has the burden of proving that punitive damages should be awarded, and the amount, by a preponderance of the evidence. You may award punitive damages only if you find that defendant's conduct was malicious, or in reckless disregard of the plaintiff's rights. Conduct is malicious if it is accompanied by ill will, or spite, or if it is for the purpose of injuring another. Conduct is in reckless disregard of the plaintiff's rights if, under the circumstances, it reflects complete indifference to the plaintiff's safety, rights, or the defendant acts in the face of a perceived risk that its actions will violate the plaintiff's rights under federal law.

If you find that punitive damages are appropriate, you must use reason in setting the amount. Punitive damages, if any, should be in an amount sufficient to fulfill their purposes but should not reflect bias, prejudice or sympathy toward any party. In considering punitive damages, you may consider the degree of reprehensibility of the defendant's conduct and the relationship of any award of punitive damages to any actual harm inflicted on the plaintiff.

[Punitive damages may not be awarded against _____.] [You may impose punitive damages against one or more of the defendants and not others, and may award different amounts against different defendants.] [Punitive damages may be awarded even if you award plaintiff only nominal, and not compensatory, damages.]

Comment

Punitive damages are not available in every case. In diversity cases, look to state law for an appropriate instruction.

If punitive damages are available, and evidence of defendant's financial condition is offered in support of such damages, the judge may be requested to instruct the jury during trial and/or at the end of the case about the limited purpose of such evidence. See Instructions 1.5 (Evidence for Limited Purpose), 2.10 (Limited Purpose Evidence), and the bracketed material in 3.3 (What Is Not Evidence).

Regarding degree of reprehensibility and punitive damages generally, see *BMW of North America, Inc. v. Gore*, 517 U.S. 559 (1996); *Pacific Mut. Life Ins. Co. v. Haslip*, 499 U.S. 1 (1991).

Regarding when punitive damages may be awarded in Title VII actions, see *Kolstad v. American Dental Assn.*, 527 U.S. 526 (1999); *Caudle v. Bristol Optical Co.*, 224 F.3d 1014, 1026-27 (9th Cir.2000). See also *Passantino v. Johnson & Johnson Consumer Products*, 212 F.3d 493, 514 (9th Cir. 2000).

Punitive and compensatory damages are subject to caps in Title VII cases. *See* 42 U.S.C. 1981a (b)(3). Regarding the amount of damages available under Title VII, see *Gotthardt v. National Railroad Passenger Corp.*, 191 F.3d 1148 (9th Cir.1999). The cap does not apply to front pay and back pay. *See Pollard v. E.I. du Pont de Nemours & Company*, 532 U.S. ____ (2001). *See also Caudle v. Bristol Optical Co.*, 224 F.3d 1014, 1020 (9th Cir.2000) (includes the definition of front pay and back pay); Introductory Comment to Chapter 12.

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7.6 NOMINAL DAMAGES

The law which applies to this case authorizes an award of nominal damages. If you find for the plaintiff but you find that the plaintiff has failed to prove damages as defined in these instructions, you must award nominal damages. Nominal damages may not exceed one dollar.

Comment

Nominal damages are not available in every case. The court must determine whether nominal damages are permitted. *See, e.g., Chew v. Gates*, 27 F.3d 1432, 1437 (9th Cir.1994) (Section 1983 action), *cert. denied*, 513 U.S. 1148 (1995); *Parton v. GTE North, Inc.*, 971 F.2d 150, 154 (8th Cir.1992) (Title VII action).

Regarding cases brought under 42 U.S.C. § 1983, see *George v. City of Long Beach*, 973 F.2d 706 (9th Cir.1992); *Floyd v. Laws*, 929 F.2d 1390 (9th Cir.1991).

8. FEDERAL EMPLOYERS' LIABILITY ACT

Analysis

Instruction

8.1 Preliminary Jury Instruction—For Federal Employers' Liability Act (45 U.S.C. §§ 51 and 53).

8.2 FELA—Elements and Burden of Proof.

8.3 FELA—Negligence Defined.

8.4 FELA—Causation.

8.5 FELA—Plaintiff's Compliance With Defendant's Request or Directions.

8.6 FELA—Damages.

8.7 FELA—Plaintiff's Negligence—Reduction of Damages (45 U.S.C. § 53).

Previous editions referred to the Federal Safety Appliance Act, 45 U.S.C. § 1 *et seq.* That statute was repealed in 1994 and those instructions have been deleted.

8.1 PRELIMINARY JURY INSTRUCTION—FOR FEDERAL EMPLOYERS' LIABILITY ACT (45 U.S.C. §§ 51 AND 53)

The plaintiff, [*name of plaintiff*], claims that while [he] [she] was employed by the defendant, [*name of defendant*], a railroad, [he] [she] suffered an injury caused by the negligence of the defendant. The defendant denies the plaintiff's claim. To help you understand the evidence while it is being presented, I will now explain some of the legal terms you will hear during this trial.

Negligence is the failure to use reasonable care. Reasonable care is the degree of care that a reasonably prudent person would use under like circumstances. Someone can be negligent by doing something that a reasonably prudent person would not have done, or by failing to do something that a reasonably prudent person would have done.

It is not enough, however, that someone be negligent because to be held responsible for an injury the person's negligence must also have been a cause of the injury. To be a cause of an injury, the negligence must have played some part, no matter how small, in bringing that injury about.

The plaintiff claims that the defendant should be required to pay damages because its negligence was a cause of an injury suffered by the plaintiff. It is the plaintiff's burden to prove that by a preponderance of the evidence. The defendant, on the other hand, claims that the plaintiff was negligent and that the plaintiff's own negligence was a cause of the claimed injury. The defendant has the burden of proving that by a preponderance of the evidence.

Should you determine that negligence of both the plaintiff and the defendant were causes of an injury, then you will determine the percentage of fault attributable to the plaintiff.

Comment

This preliminary instruction may be given at the beginning of trial. The judge should be certain that the jury understands that after the jury calculates any percentage of fault attributable to the plaintiff, the court will deduct that percentage from any award of damages.

8.2 FELA—ELEMENTS AND BURDEN OF PROOF

[On the plaintiff's _____ claim,] the plaintiff has the burden of proving both of the following elements by a preponderance of the evidence:

1. the defendant was negligent; and
2. the defendant's negligence was a cause of an injury to the plaintiff.

If you find that both of these elements have been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove either of these elements, your verdict should be for the defendant.

The defendant has the burden of proving both of the following elements by a preponderance of the evidence:

1. the plaintiff was negligent; and
2. the plaintiff's negligence was a cause of the plaintiff's own injury.

If you find that both of these elements on which the defendant has the burden of proof have been proved, you must reduce the percentage of fault attributable to the plaintiff.

Comment

This instruction assumes the usual situation where the parties have stipulated that the defendant is a common carrier covered by the FELA and that the plaintiff was injured in the scope and course of employment with the defendant. If these issues are in dispute, the instruction must be modified accordingly.

Use the second half of this instruction in conjunction with Instruction 8.7 (FELA—Plaintiff's Negligence—Reduction of Damages).

8.3 FELA—NEGLIGENCE DEFINED

Negligence is the failure to use reasonable care. Reasonable care is the degree of care that a reasonably prudent person would use under like circumstances to avoid injury to themselves or others. Negligence is the doing of something which a reasonably prudent person would not do, or the failure to do something which a reasonably prudent person would do, under like circumstances.

8.4 FELA—CAUSATION

Negligence is a cause of an injury or damage if it played any part, no matter how small, in bringing about the injury or damage. Therefore, even if the negligence operated in combination with the acts of another, or in combination with some other cause, the negligence was a cause of the injury or damage if it played any part, no matter how small, in bringing about the injury or damage.

Comment

See Comment to Instructions 3.8 (Causation) and 7.1 (Damages—Proof) regarding causation.

8.5 FELA—PLAINTIFF'S COMPLIANCE WITH DEFENDANT'S REQUEST OR DIRECTIONS

The plaintiff is not negligent simply because the plaintiff, upon the request or direction of the defendant, worked at a dangerous job, or in a dangerous place, or under dangerous conditions.

8.6 FELA—DAMAGES

Comment

See Instructions 7.1 (Damages—Proof) and 7.2 (Measures of Types of Damages).

8.7 FELA—PLAINTIFF'S NEGLIGENCE— REDUCTION OF DAMAGES (45 U.S.C. § 53)

If you decide that the plaintiff was negligent and that the plaintiff's negligence was a cause of his injury you must then decide how much of his injury was caused by the plaintiff's negligence. This should be fixed as a percentage—for example, 10%, 50%, 90%. The percentage of the plaintiff's negligence, if any, is for you to decide. You must then write that percentage on the appropriate place on the verdict form. Do not make any reduction in the amount of damages that you award to the plaintiff. I will reduce the damages that you award by the percentage of negligence that you assign to the plaintiff.

Comment

For a discussion applying FELA comparative negligence doctrine in a Jones Act case, see *Kopczynski v. The Jacqueline*, 742 F.2d 555, 558 (9th Cir.1984), *cert. denied*, 471 U.S. 1136 (1985).

The traditional defense of assumption of risk is barred under FELA and cannot be revived in the form of comparative negligence. See *Taylor v. Burlington Northern Railroad Company*, 787 F.2d 1309, 1316–17 (9th Cir.1986).

9. JONES ACT AND OTHER ADMIRALTY CLAIMS

Analysis

Instruction

Introductory Comment.

9.1 Seaman Status.

9.2 Jones Act—Negligence Claim—Elements and Burden of Proof—(46 App. U.S.C. § 688).

9.3 Jones Act—Negligence Defined.

9.4 Jones Act—Negligence Claim—Causation.

9.5 Jones Act—Plaintiff's Compliance With Defendant's Request or Directions.

9.6 Unseaworthiness Claim—Elements and Burden of Proof.

9.7 Unseaworthiness Defined.

9.8 Unseaworthiness—Causation.

9.9 Negligence or Unseaworthiness—Damages—Proof (Comment only).

9.10 Negligence or Unseaworthiness—Plaintiff's Negligence—Reduction of Damages.

9.11 Jones Act—Maintenance and Cure.

9.12 Jones Act—Willful or Arbitrary Failure to Pay—Maintenance and Cure.

INTRODUCTORY COMMENT

These instructions were prepared for use in an action brought under maritime common law and the Jones Act, 46 U.S.C. § 688, by a "seaman" against his or her employer. The instructions focus on the issues of negligence, contributory negligence, unseaworthiness, and maintenance and cure. They assume that the plaintiff was injured while in the course of employment as a crew member of a vessel.

Definitional sections for "crew member," "vessel," "in the course of employment," and "in the service of the vessel" have not been included because of the infinite variety of situations that arise. For assistance in dealing with these terms, it is preferable to refer to cases with fact patterns similar to the case under consideration. *See, e.g., Southwest Marine, Inc. v. Gizoni*, 502 U.S. 81 (1991) (discussing "crew member," and "vessel"); *Kathriner v. UNISEA, Inc.*, 975 F.2d 657 (9th Cir.1992) (discussing "vessel in navigation").

In order to recover under the Jones Act, or under the doctrine of unseaworthiness, the plaintiff must be a "seaman." A new instruction on seaman status has been included. *See* Instruction 9.1 (Seaman Status).

9.1 SEAMAN STATUS

The plaintiff seeks recovery against the defendant under the Jones Act [and the doctrine of unseaworthiness]. Only a "seaman" can bring these claims. The parties dispute whether or not the plaintiff was a seaman at the time of his injury.

The plaintiff must prove that the plaintiff was a "seaman" in order to recover. To prove seaman status, the plaintiff must prove both of the following elements by a preponderance of the evidence:

1. the vessel on which the plaintiff was employed was in navigation and the capacity in which the plaintiff was employed contributed to the vessel's mission or to the operation or maintenance of the vessel under way or while at anchor or tied up in preparation for future trips. A person need not aid in the navigation of a vessel in order to qualify as a seaman; and
2. the plaintiff had a more or less permanent connection with the vessel which was substantial in terms of time and work, rather than sporadic, temporary, or incidental.

Comment

See Harbor Tug & Barge Company v. Papai, 520 U.S. 548, 554 (1997); *Chandris, Inc. v. Latsis*, 515 U.S. 347, 355 (1995); *Gizoni v. Southwest Marine Inc.*, 56 F.3d 1138, 1141 (9th Cir.1995) (two elements of test discussed). The seaman inquiry is a mixed question of law and fact, and when necessary, should be submitted to the jury. *Delange v. Dutra Construction Co.*, 183 F.3d 916, 919 (9th Cir.1999).

A plaintiff may be entitled to an instruction on the fleet seaman doctrine if it has some foundation in the evidence. *Gizoni*, 56 F.3d at 1141 ("Under the fleet doctrine, one can acquire 'seaman status' through permanent assignment to a group of vessels under common ownership or control.").

The Longshore and Harbor Workers' Compensation Act (LHWCA) excludes from its coverage "a master or member of a crew of any vessel." 33 U.S.C. § 902(3)(G). Masters and crew members are entitled to sue under the Jones Act and the doctrine of unseaworthiness. A non-"seaman" is limited to the remedies of the LHWCA.

**9.2 JONES ACT—NEGLIGENCE CLAIM—
ELEMENTS AND BURDEN OF PROOF (46 APP. U.S.C. § 688)**

On the plaintiff's Jones Act claim, the plaintiff has the burden of proving both of the following elements by a preponderance of the evidence:

1. the defendant was negligent as claimed; and
2. the defendant's negligence was a cause of the injury to the plaintiff.

If you find that both of the elements on which the plaintiff has the burden of proof have been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove either of these elements, your verdict should be for the defendant.

Comment

For a discussion of the elements of a Jones Act negligence claim, see *In re Hechinger*, 890 F.2d 202, 208 (9th Cir.1989) ("To recover under a Jones Act claim, a plaintiff has the burden of establishing by a preponderance of the evidence, negligence on the part of his employer ... [and] that the act of negligence was a cause, however slight, of his injuries." (quotations and citation omitted)), *cert. denied*, 498 U.S. 848 (1990). *Cf. Mohn v. Marla Marie, Inc.*, 625 F.2d 900 (9th Cir.1980).

9.3 JONES ACT—NEGLIGENCE DEFINED

Negligence is the failure to use reasonable care. Reasonable care is the degree of care that reasonably prudent persons would use under like circumstances to avoid injury to themselves or others. Negligence is the doing of something that a reasonably prudent person would not do, or the failure to do something that a reasonably prudent person would do, under like circumstances.

9.4 JONES ACT—NEGLIGENCE CLAIM—CAUSATION

Negligence is a cause of an injury or damage if it played any part, no matter how small, in bringing about the injury or damage. Therefore, even if the negligence operated in combination with the acts of another, or in combination with some other cause, the negligence was a cause of the injury or damage if it played any part, no matter how small, in bringing about the injury or damage.

Comment

See Ribitzki v. Canmar Reading & Bates, Ltd. Partnership, 111 F.3d 658, 662 (9th Cir.1997) ("even the slightest negligence" is sufficient to support a Jones Act finding of negligence) (citing *Havens v. F/T Polar Mist*, 996 F.2d 215, 218 (9th Cir.1993)). This test is often described as a "featherweight causation standard" and allows a seaman to survive summary judgment by presenting even the slightest proof of causation. *Ribitzki*, 111 F.3d at 664.

The requirement of cause for the plaintiff's negligence claim is different from that for the unseaworthiness claim.

Where negligence and unseaworthiness are both claimed, it may be advisable to compare the causal requirements for each. *See Lies v. Farrell Lines*, 641 F.2d 765, 769 n.7 (9th Cir.1981).

9.5 JONES ACT—PLAINTIFF'S COMPLIANCE WITH DEFENDANT'S REQUEST OR DIRECTIONS

The plaintiff is not negligent simply because the plaintiff, upon the request or direction of the defendant, worked at a dangerous job, or in a dangerous place, or under dangerous conditions.

Comment

Use this instruction only where the plaintiff's compliance with an employer's request or direction is an issue. Under the "primary duty" doctrine, "a seaman-employee may not recover from his employer for injuries caused by his own failure to perform a duty imposed on him by his employment." *California Home Brands, Inc. v. Ferreira*, 871 F.2d 830, 836 (9th Cir.1989).

The primary duty rule is not applicable "where a seaman is injured by a dangerous condition that he did not create and, in the proper exercise of his employment duties, could not have controlled or eliminated." *See Bernard v. Maersk Lines, Ltd.*, 22 F.3d 903, 907 (9th Cir.1994).

A seaman who follows a supervisor's urgent call to the crew for help cannot be found contributorily negligent. *Simenoff v. Hiner*, 249 F.3d 883, 890–91 (9th Cir.2001).

9.6 UNSEAWORTHINESS CLAIM—ELEMENTS AND BURDEN OF PROOF

On the plaintiff's unseaworthiness claim, the plaintiff has the burden of proving both of the following elements by a preponderance of the evidence:

1. the [*name of vessel*] was unseaworthy; and
2. the unseaworthy condition was a cause of an injury to the plaintiff.

If you find that both of the elements on which the plaintiff has the burden of proof have been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove either of these elements, your verdict should be for the defendant.

Comment

"A shipowner has an absolute duty to furnish a seaworthy ship." *Mitchell v. Trawler Racer, Inc.*, 362 U.S. 539, 549 (1960). A seaworthy ship is one reasonably fit for its intended use. *Ribitzki v. Canmar Reading & Bates, Ltd. Partnership*, 111 F.3d 658 (9th Cir.1997).

See also Comment to Instruction 9.7 (Unseaworthiness Defined).

9.7 UNSEAWORTHINESS DEFINED

A vessel owner has a duty to provide and maintain a seaworthy vessel. [That duty cannot be turned over to anyone else.]

A vessel is seaworthy if the vessel and all of its parts and equipment are reasonably fit for their intended purpose [and it is operated by a crew reasonably adequate and competent for the work assigned].

A vessel is unseaworthy if the vessel, or any of its parts or equipment, is not reasonably fit for its intended purpose [or if its crew is not reasonably adequate or competent to perform the work assigned].

A vessel owner has a duty to provide adequate safety equipment for the vessel. However, the owner of the vessel is not required to furnish an accident-free ship. A vessel owner is not called on to have the best parts and equipment, or the finest of crews, but is required to have what is reasonably proper and suitable for its intended use, and a crew that is reasonably competent and adequate.

Comment

For a definition of a seaworthy vessel, see *Ribitzki v. Canmar Reading & Bates, Ltd. Partnership*, 111 F.3d 658, 664 (9th Cir.1997) and *Havens v. F/T Polar Mist*, 996 F.2d 215, 217–8 (9th Cir.1993).

A shipowner has the duty to a seaman employed on the ship to furnish a vessel and appurtenances which are reasonably fit for their use. This includes maintaining a ship's equipment in proper operating condition. The failure of a piece of equipment under proper and expected use is sufficient to establish unseaworthiness. *Lee v. Pacific Far E. Line*, 566 F.2d 65, 67 (9th Cir.1977). *But see Mitchell v. Trawler Racer*, 362 U.S. 539, 550 (1960) (no obligation to furnish accident-free ship).

A vessel may be unseaworthy because of "defective" crew members. *Pashby v. Universal Dredging Corp.*, 608 F.2d 1312, 1313–14 (9th Cir.1979) (violent or assaultive crew members may make vessel unseaworthy).

9.8 UNSEAWORTHINESS—CAUSATION

[The requirement of cause for the plaintiff's unseaworthiness claim is different from that for the negligence claim.]

Unseaworthiness is a cause of injury or damage if it played a substantial part in bringing about injury or damage.

Comment

A different test for causation applies to an unseaworthiness claim as compared to a Jones Act claim. *See Ribitzki v. Canmar Reading & Bates, Ltd. Partnership*, 111 F.3d 658, 665 (9th Cir.1997) (causation is established by showing the condition was a "substantial factor" in causing the injury). Where both Jones Act and unseaworthiness claims exist, the court should instruct on the causal requirements of each. *See Lies v. Farrell Lines*, 641 F.2d 765, 769 n. 7 (9th Cir.1981).

9.9 NEGLIGENCE OR UNSEAWORTHINESS—DAMAGES—PROOF

Comment

See Instruction 7.1 (Damages—Proof).

Punitive damages are not available. *See Glynn v. Roy Al Boat Management Corp.*, 57 F.3d 1495, 1505 (9th Cir.1995), *cert. denied*, 516 U.S. 1046 (1996).

The collateral source rule applies in cases brought under the Jones Act. *See Folkestad v. Burlington N., Inc.*, 813 F.2d 1377, 1380 n. 3 (9th Cir.1987) (citing *Gypsum Carrier, Inc. v. Handelsman*, 307 F.2d 525 (9th Cir.1962)).

"Maintenance" damages are unique to the Jones Act. These damages include the cost of obtaining room and board on land, equivalent to that provided at sea, for those periods that the plaintiff would have worked aboard ship but for this injury. *See* Instruction 9.11 (Jones Act—Maintenance and Cure).

9.10 NEGLIGENCE OR UNSEAWORTHINESS—PLAINTIFF'S NEGLIGENCE—REDUCTION OF DAMAGES

If you decide that the plaintiff has established by a preponderance of the evidence that the plaintiff is entitled to recover under [the Jones Act claim] [and/or] [the unseaworthiness claim], then you must determine whether the plaintiff's own negligence was also a cause of the plaintiff's injury. The defendant has the burden of proving by a preponderance of the evidence that the plaintiff was negligent and that the plaintiff's negligence was also a cause of the plaintiff's injury.

The plaintiff has a duty to use the care which a reasonably careful person would use under similar circumstances. The defendant must prove by a preponderance of the evidence that the plaintiff's failure to use due care contributed in some way to bringing about the plaintiff's injury.

If you decide that the plaintiff was negligent and that the plaintiff's negligence was a cause of the plaintiff's injury, you must then decide how much of the injury was caused by the plaintiff's negligence. This should be fixed as a percentage—for example, 10%, 50%, 90%. The percentage of the plaintiff's negligence, if any, is for you to decide. You must then write that percentage on the appropriate place on the verdict form. Do not make any reduction in the amount of damages that you award to the plaintiff. I will reduce the damages that you award by the percentage of negligence that you assign to the plaintiff.

Comment

See 46 App. U.S.C. § 688(a) (common-law rights or remedies in cases of personal injury to railway employees applies to a seaman injured in the course of employment); 45 U.S.C. § 53 (contributory negligence will not bar a railroad employee from suing the employer for tort damages).

Section 53 of the Federal Employers' Liability Act, 45 U.S.C. § 53, which provides for a reduction in the plaintiff's damages as a result of the plaintiff's comparative negligence, is applicable to actions under both the Jones Act and general maritime law. *See Kopczynski v. The Jacqueline*, 742 F.2d 555, 557–58 (9th Cir.1984), *cert. denied*, 471 U.S. 1136 (1985). *See also Pope & Talbot, Inc. v. Hawn*, 346 U.S. 406, 408–09 (1953) ("admiralty has developed and now follows its own fairer and more flexible rule which allows such consideration of contributory negligence in mitigation of damages as justice requires"); *Glynn v. Roy Al Boat Management Corp.*, 57 F.3d 1495 (9th Cir.1995).

Comparative negligence is not applicable if a seaman is injured as a result of a violation of Coast Guard regulations. *See Fuszek v. Royal King Fisheries, Inc.*, 98 F.3d 514, 517 (9th Cir.1996).

A seaman who follows a supervisor's urgent call to the crew for help cannot be found contributorily negligent. *Simenoff v. Hiner*, 249 F.3d 883, 890–91 (9th Cir.2001).

9.11 JONES ACT—MAINTENANCE AND CURE

On the plaintiff's maintenance and cure claim, the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the plaintiff was injured or became ill while in the service of the vessel;
2. maintenance and cure was not provided; and
3. the amount of maintenance and cure to which the plaintiff was entitled.

Maintenance is the cost of food and lodging, and transportation to and from a medical facility. The plaintiff is not entitled to maintenance while hospitalized because hospitalization includes food and lodging.

Cure is the cost of medical attention, including the services of physicians and nurses as well as the cost of hospitalization, medicines and medical apparatus.

The injury or illness need not be work-related so long as it occurs while in the service of the vessel. Neither maintenance nor cure may be reduced because of any negligence on the part of the plaintiff.

The plaintiff is entitled to receive maintenance and cure even though he was not injured as a result of any negligence on the part of his employer or any unseaworthy condition of the vessel. The plaintiff is entitled to recover maintenance and cure from the date of departure from the ship to the time of maximum cure under the circumstances. Maximum cure is the point at which no further improvement in the plaintiff's medical condition may be reasonably expected.

There can be no double recovery for the plaintiff. If you find that the plaintiff is entitled to an award of damages under the negligence claim or under the unseaworthiness claim, and if you include either loss of wages or medical expenses in the damage award relating to either of these claims, then maintenance or cure cannot be awarded for the same period.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove each of these element, your verdict should be for the defendant.

Comment

See Lipscomb v. Foss Maritime Co., 83 F.3d 1106, 1108 (9th Cir.1996); *Gardiner v. Sea-Land Serv.*, 786 F.2d 943, 945–46 (9th Cir.), *cert. denied*, 479 U.S. 924 (1986); *Kopczynski v. The Jacqueline*, 742 F.2d 555, 557–58 (9th Cir.1984), *cert. denied*, 471 U.S. 1136 (1985).

The shipowner's duty to provide maintenance and cure arises irrespective of whether the illness or injury is suffered in the course of the seaman's employment, and negligence on the seaman's part will not relieve the shipowner of responsibility. *Vella v. Ford Motor Co.*, 421 U.S.

1, 4–5 (1975). A plaintiff may not recover for maintenance and cure where the injury or illness results from the plaintiff's own willful misbehavior. *See Omar v. Sea–Land Serv.*, 813 F.2d 986, 989–90 (9th Cir.1987).

Punitive damages are not available where payment for maintenance and cure is wrongfully denied. *See Glynn v. Roy Al Boat Management Corp.*, 57 F.3d 1495 (9th Cir.1995), *cert. denied*, 516 U.S. 1046 (1996).

If there is an issue as to willful or arbitrary failure to pay, see Instruction 9.12 (Jones Act—Willful or Arbitrary Failure to Pay Maintenance and Cure).

**9.12 JONES ACT—WILLFUL OR ARBITRARY FAILURE TO PAY—
MAINTENANCE AND CURE**

The plaintiff also claims the defendant willfully or arbitrarily failed to pay [maintenance] [[and]][or]] [cure] when it was due. On this claim, the plaintiff must prove each of the following elements by a preponderance of the evidence:

1. the plaintiff was entitled to [maintenance] [[and]][or]] [cure];
2. the defendant willfully or arbitrarily failed to provide [maintenance] [[and]][or]] [cure]; and
3. the defendant's failure to provide [maintenance] [[and]][or]] [cure] resulted in injury to the plaintiff.

Where the defendant's wilful or arbitrary failure to provide [maintenance] [[and]][or]] [cure] worsens the plaintiff's injury, the plaintiff may recover resulting damages and expenses, including pain and suffering, and additional medical expenses.

If you find that each of these elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff on this claim. If, on the other hand, the plaintiff has failed to prove each of these elements, your verdict should be for the defendant on this claim.

Comment

See Comment following Instruction 9.11 (Jones Act—Maintenance and Cure).

If the claim is for only maintenance or cure, this instruction should be modified accordingly.

If the jury finds that the defendant wilfully or arbitrarily failed to pay maintenance or cure, the plaintiff will be entitled to reasonable attorneys' fees as determined by the court. A special interrogatory may be required.

10. TAX REFUND ACTIONS

Analysis

Instruction

Introductory Comment.

10.1 Tax Refund Actions—Elements and Burden of Proof—Claimed Refund.

10.2 Tax Refund Actions—Elements and Burden of Proof—Claimed Deductions.

INTRODUCTORY COMMENT

Taxpayers who sue for refunds are entitled to a jury trial. *See* 26 U.S.C. § 7422. The situations giving rise to such suits are too diverse to provide model instructions for all cases.

Tax refund cases often have narrow fact issues and lend themselves to the use of special verdict forms.

The model instructions offered in this section cover only a few issues specific to tax refund cases.

**10.1 TAX REFUND ACTIONS—ELEMENTS AND BURDEN OF PROOF—
CLAIMED REFUND**

[On the plaintiff's _____ claim,] the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the plaintiff is entitled to a refund;
2. the amount of the refund due to the plaintiff; and
3. the government has declined to pay the refund.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

10.2 TAX REFUND ACTIONS—ELEMENTS AND BURDEN OF PROOF— CLAIMED DEDUCTIONS

[On the plaintiff's _____ claim,] the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the plaintiff has a right to a deduction;
2. the amount of the deduction; and
3. the government has declined to recognize the reduction.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

11. CIVIL RIGHTS ACTIONS—42 U.S.C. § 1983

Analysis

Instruction

- 11.1 Violation of Federal Civil Rights—Elements and Burden of Proof.
- 11.2 Under Color of Law Defined.
- 11.3 Qualified Immunity (Comment Only).
- 11.4 Excessive Force—Unreasonable Seizure—Lawful Arrest.
- 11.5 Unreasonable Search—Generally.
- 11.6 Unreasonable Search—Exceptions to Warrant Requirement—Search Incident to Lawful Arrest.
- 11.7 Unreasonable Search—Exceptions to Warrant Requirement—Consent.
- 11.8 Unreasonable Search—Exceptions to Warrant Requirement—Exigent Circumstances.
- 11.9 Violation of Prisoner's Federal Civil Rights Eighth Amendment—Excessive Force.
- 11.10 Violation of Prisoner's Federal Civil Rights Eighth Amendment—General Conditions of Confinement Claim.
- 11.11 Violation of Prisoner's Federal Civil Rights—Eighth Amendment—Medical Care.
- 11.12 Municipal Liability.
- 11.13 Official Policy Makers.
- 11.14 Municipal Liability—Failure to Train—Elements and Burden of Proof.

11.1 VIOLATIONS OF FEDERAL CIVIL RIGHTS— ELEMENTS AND BURDEN OF PROOF

On the plaintiff's [*describe claim*] claim, the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the acts or omissions of the defendant were intentional;
2. the defendant acted under color of law; and
3. the acts or omissions of the defendant were the cause of the deprivation of the plaintiff's rights protected by the Constitution or laws of the United States.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

11.2 UNDER COLOR OF LAW DEFINED

Acts are done under color of law when a person acts or purports to act in the performance of official duties under any state, county, or municipal law, ordinance, or regulation. [[The parties have stipulated that] [The court has found that] the defendant acted under color of law.]

Comment

For cases interpreting color of law, see *West v. Atkins*, 487 U.S. 42, 49 (1988) (requiring that the person be acting pursuant to a power or privilege possessed by virtue of state law, such that the person's conduct is fairly attributable to the state); *United Steelworkers of America v. Phelps Dodge Corp.*, 865 F.2d 1539, 1540 (9th Cir.1989) (en banc) (holding that private parties may act under color of state law if they willfully participate in joint action with state officials to deprive others of constitutional rights).

11.3 QUALIFIED IMMUNITY

Comment

Qualified immunity is ordinarily a question of law for the court and should be decided at the earliest possible point in the litigation. *See Hunter v. Bryant*, 502 U.S. 224, 227 (1991) (per curiam) (reversing Ninth Circuit holding that qualified immunity was a question of fact for the jury). However, issues of fact may need to be determined by the trier of fact before the court can make a determination on qualified immunity. *See Idaho v. Horiuchi*, 253 F.3d 359 (9th Cir.2001); *Sloman v. Tadlock*, 21 F.3d 1462, 1467–68 (9th Cir.1994) (noting that the question of whether the judge or jury should be the ultimate determiner of qualified immunity, once disputed foundational facts have been decided by the jury, is as yet unresolved); *Act Up!/Portland v. Bagley*, 988 F.2d 868, 872–73 (9th Cir.1993) (holding that qualified immunity becomes a jury question only where a genuine issue of fact exists preventing the determination of qualified immunity at summary judgment).

11.4 EXCESSIVE FORCE—UNREASONABLE SEIZURE—LAWFUL ARREST

The plaintiff claims the defendant, by using excessive force in making a lawful arrest, deprived the plaintiff of the Fourth Amendment constitutional right to be free from an unreasonable seizure.

A law enforcement officer has the right to use such force as is reasonably necessary under the circumstances to make a lawful arrest. An unreasonable seizure occurs when a law enforcement officer uses excessive force in making a lawful arrest. In deciding whether excessive force was used, you should consider the totality of the circumstances at the time. The reasonableness of a particular use of force must be judged objectively from the information available at the time from the perspective of a reasonable officer on the scene [, rather than with the 20/20 vision of hindsight].

Whether force is reasonably necessary or excessive is measured by the force a reasonable and prudent law enforcement officer would use under the circumstances.

Some of the things you may want to consider in determining whether the defendant used excessive force are the severity of the crime at issue, whether the plaintiff posed a reasonable threat to the safety of the officer or others, and whether the plaintiff was actively resisting detention or attempting to escape.

Comment

The subjective state of mind of the officer is not to be considered. *See Graham v. Connor*, 490 U.S. 386 (1989) (holding that actions of police officers in excessive force cases should be analyzed under an "objective reasonableness" standard, taking into account the time pressures and uncertain circumstances facing the officer at the time of the alleged use of force).

As to the second paragraph, see *Brewer v. City of Napa*, 210 F.3d 1093, 1097 (9th Cir.2000). *See also Robinson v. Solano County*, 218 F.3d 1030 (9th Cir.2000) (citing *Graham v. Connor*).

11.5 UNREASONABLE SEARCH—GENERALLY

The plaintiff claims that the defendant intentionally deprived the plaintiff of the Fourth Amendment constitutional right to be free from an unreasonable search.

The plaintiff has the burden of proving by a preponderance of the evidence that the search was unreasonable.

Comment

Warrantless searches are presumptively unreasonable. *See Horton v. California*, 496 U.S. 128, 133 n. 4 (1990). *See also United States v. Bulacan*, 156 F.3d 963, 973 (9th Cir.1998) (finding that a legitimate administrative search for concealed weapons upon entering a federal building was rendered unreasonable where defendant's "fanny pack" was also searched for drugs); *Marks v. Clarke*, 102 F.3d 1012, 1029 (9th Cir.1996) (finding that a search was overly broad where officers searched every person in plaintiffs' home, including children, notwithstanding the lack of particularized suspicion of criminal activity with respect to each person); *Franklin v. Foxworth*, 31 F.3d 873, 876–77 (9th Cir.1994) (finding that the manner in which a search was executed was unreasonable, despite the existence of probable cause, where officers removed a sick and semi-naked man from his bed and forced him to sit, handcuffed and exposed, in another room for two hours, rather than returning him to bed after the search of his bedroom was completed).

11.6 UNREASONABLE SEARCH—EXCEPTIONS TO WARRANT REQUIREMENT—SEARCH INCIDENT TO LAWFUL ARREST

A search is reasonable, and a search warrant is not required, if a search is conducted incident to a lawful arrest.

An arresting officer may search only the person arrested and the immediate area within which that person might gain possession of a weapon or might destroy or hide evidence.

Comment

"[T]he standard for a valid 'search incident to arrest' is: '[g]iven a lawful arrest, it is enough that the search ... be roughly contemporaneous with the arrest.'" *United States v. Tank*, 200 F.3d 627, 631 (9th Cir.2000) (quoting *United States v. Moorehead*, 57 F.3d 875, 878, (9th Cir.1995)).

It is reasonable for a police officer to search an arrestee's person and the area "within [the arrestee's] immediate control," *i.e.*, "the area from within which [the arrestee] might gain possession of a weapon or destructible evidence." *Chimel v. California*, 395 U.S. 752, 763 (1969).

The search incident to arrest exception permits the search of a vehicle or room after the suspect has been removed from the vehicle or room. *See Wyoming v. Houghton*, 526 U.S. 295 (1999) (holding that a police officer with probable cause to search a car can inspect passenger's belongings found in a car that have the capacity to conceal the object of the search); *United States v. McLaughlin*, 170 F.3d 889, 893 (9th Cir.1999) (holding that a search of passenger compartments and containers in a vehicle is a permissible search incident to arrest even though defendant was removed from the scene more than five minutes before the search); *United States v. Hudson*, 100 F.3d 1409, 1420 (9th Cir.1996) (holding that search of a gun case in defendant's home was a permissible search incident to arrest even though defendant had been arrested and removed from the home three minutes before the search).

11.7 UNREASONABLE SEARCH—EXCEPTIONS TO WARRANT REQUIREMENT—CONSENT (42 U.S.C. § 1983)

A search is reasonable, and a search warrant is not required, if a person in lawful possession of the area knowingly and voluntarily consents to the search.

Comment

"The Fourth Amendment test for a valid consent to search is that the consent be voluntary...." *Ohio v. Robinette*, 519 U.S. 33, 40 (1996). To determine voluntariness, the court must examine the totality of the circumstances. *See Illinois v. Rodriguez*, 497 U.S. 177, 186–88 (1990) (holding that under the totality of the circumstances, police reasonably believed a non-resident of a searched home had sufficient apparent authority to consent to search); *United States v. Mendenhall*, 446 U.S. 544, 557 (1980) (upholding airport search of suspected drug courier where the totality of circumstances indicated that consent to the search was voluntary); *Schneckloth v. Bustamonte*, 412 U.S. 218, 227 (1973) (holding that voluntariness is a question of fact to be determined from a totality of the circumstances). Mere acquiescence to lawful authority is insufficient to constitute consent. *See United States v. Spires*, 3 F.3d 1234, 1237 (9th Cir.1993) (noting that actual consent, rather than acquiescence to a search, is necessary for consent to be considered voluntary under a totality of the circumstances).

Factors in determining consent include:

- (1) whether the consenting person was in custody;
- (2) whether officers' guns were drawn;
- (3) whether person was told he or she had the right to refuse a request to search;
- (4) whether the person was told he or she was free to leave;
- (5) whether *Miranda* warnings were given; and
- (6) whether the person was told a search warrant could be obtained.

Robinette, 519 U.S. at 39–40 (holding that the Fourth Amendment does not require an officer to inform a detainee that he is free to go following a traffic stop before seeking permission to search the vehicle although the court may consider this as a factor in determining voluntariness). *See also United States v. Reid*, 226 F.3d 1020 (9th Cir.2000) (non-resident of apartment did not have apparent authority to consent to search the apartment where under the surrounding circumstances, the non-resident did not appear to live there); *United States v. Chan–Jimenez*, 125 F.3d 1324, 1327 (9th Cir.1997) (consent to search vehicle was not voluntary given that defendant was detained on an isolated desert highway, officer kept his hand on his gun at all times, and officer did not tell defendant he had right to refuse to consent to search); *United States v. Torres–Sanchez*, 83 F.3d 1123, 1129 (9th Cir.1996) (consent found to be valid even though suspect was not given *Miranda* warnings); *United States v. Morning*, 64 F.3d 531, 533 (9th

Cir.1995), *cert. denied*, 516 U.S. 1152 (1996) ("[C]onsent is not likely to be held invalid where an officer tells a defendant that he could obtain a search warrant if the officer had probable cause upon which a warrant could issue.").

11.8 UNREASONABLE SEARCH—EXCEPTIONS TO WARRANT REQUIREMENT—EXIGENT CIRCUMSTANCES (42 U.S.C. § 1983)

A search is reasonable, and a search warrant is not required, if all of the circumstances known to the officer at the time, would cause a reasonable person to believe that entry or search was necessary to prevent [physical harm to the officer or other persons] [the destruction or concealment of evidence] [the escape of a suspect], and if there was insufficient time to get a search warrant.

Comment

Regarding exigent circumstances, see *Mincey v. Arizona*, 437 U.S. 385, 392–93 (1978) (officer can make warrantless entry when he or she "reasonably believe[s] that a person within is in need of immediate aid"); *United States v. Reid*, 226 F.3d 1020, 1027–28 (9th Cir.2000) (definition of exigent circumstances), quoting *United States v. Gooch*, 6 F.3d 673, 679 (9th Cir.1993); *United States v. McLaughlin*, 170 F.3d 889, 891 (9th Cir.1999) (holding that an officer can search passenger compartments and containers incident to arrest regardless of whether the arresting officer has an actual concern for safety or evidence); *Murdock v. Stout*, 54 F.3d 1437, 1442 (9th Cir.1995) (upholding warrantless search of residence following burglary report where officers had reason to believe the owner of the home was absent and that the burglars might still be inside); *United States v. Gooch*, 6 F.3d at 679 (holding that warrantless search of a tent on public property was not justified by exigent circumstances given that the suspect was already in custody and that nothing in the tent presented a danger to campers or children nearby); *United States v. Erickson*, 991 F.2d 529, 532 (9th Cir.1993) (warrantless search of residence by pulling back plastic sheet from basement window was not justified by exigent circumstances where the police saw no signs of forced entry and had no reason to believe the burglars had already left the scene); *United States v. Valles-Valencia*, 811 F.2d 1232, 1236 (9th Cir.1987) (upholding warrantless entry to investigate possible ongoing burglary, based on observed signs of forced entry, the fact that the owner was believed to be on vacation, and that a neighbor reported suspicious activity); *United States v. Al-Azzawy*, 784 F.2d 890 (9th Cir.1985) (approving warrantless search of trailer for explosives in connection with arrest where others on the scene, including small children, were entitled to re-enter the residence).

11.8.A UNLAWFUL DETENTION IN CONNECTION WITH EXECUTION OF SEARCH WARRANT

The plaintiff claims that defendant[s] violated [his] [her] Fourth Amendment right to be free from an unreasonable seizure, by detaining [him] [her] with unreasonable force and for a longer period than was reasonable during [defendant's] [defendants'] execution of a lawfully-issued search warrant.

Generally, a law enforcement officer carrying out a search authorized by a warrant may detain occupants of the [residence] [premises] during the search, so long as the detention is reasonable. In determining the reasonableness of a detention conducted in connection with a search, you may look to all the circumstances, including the severity of the suspected crime, whether the person being detained is the subject of the investigation, whether such person poses an immediate threat to the security of the law enforcement officer or others or to the ability of the law enforcement officer to conduct the search, and whether such person is actively resisting arrest or attempting to flee. A detention may be unreasonable if it is unnecessarily painful, degrading, or prolonged, or if it involves an undue invasion of privacy. A law enforcement officer is required to release an individual detained in connection with a lawful search as soon as the [officer's] [officers'] right to conduct the search ends or the search itself is concluded, whichever is sooner.

Comment

See *Mena v. City of Simi Valley*, 332 F.3d 1255,1267 (9th Cir. 2003), which also contains an analysis of how the doctrine of qualified immunity applies to claims of unreasonable detention. For an analysis of the standards applicable to a Fourth Amendment claim of excessive force arising out of the handcuffing of someone detained during the execution of a search warrant, see *Meredith v. Erath*, 342 F.3d 1057 (9th Cir. 2003).

Rev. 11/03

11.9 VIOLATION OF PRISONER'S FEDERAL CIVIL RIGHTS—EIGHTH AMENDMENT—EXCESSIVE FORCE

On the plaintiff's Eighth Amendment excessive force claim, the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the defendant used excessive and unnecessary force under the circumstances;
2. the defendant acted maliciously and sadistically for the very purpose of causing harm;
3. the defendant acted under color of law; and
4. the conduct of the defendant caused harm to the plaintiff.

In deciding whether these elements have been proved, you may consider such factors as the need for application of force, the relationship between that need and the amount of force used, whether the force was applied in a good faith effort to maintain or restore discipline, the threat reasonably perceived by the defendant, any efforts made to temper the severity of a forceful response, and the extent of the injury suffered. In considering these factors, you should give deference to prison officials in the adoption and execution of policies and practices that in their judgment are needed to preserve discipline and to maintain internal security in a prison.

In deciding whether the defendant acted maliciously and sadistically for the very purpose of causing harm, you should consider the purpose and state of mind of the defendant.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

De minimis harm is insufficient to satisfy the fourth element. *See Hudson v. McMillian*, 503 U.S. 1, 6 (1992); *Whitley v. Albers*, 475 U.S. 312 (1986).

The malicious and sadistic standard is applied when prison guards "use force to keep order ... [w]hether the prison disturbance is a riot or a lesser disruption." *Hudson*, 503 U.S. at 6 (citing *Whitley*, 475 at 321–322). *See also Schwenk v. Hartford*, 204 F.3d 1187, 1196–97 (9th Cir.2000) (finding malicious and sadistic standards satisfied when prisoner claimed sexual assault by guard, regardless of gender, and despite lack of a "lasting physical injury"); *LeMaire v. Maass*, 12 F.3d 1444, 1452–53 (9th Cir.1993) (finding malicious and sadistic "heightened state of mind" controlling when applied to any "measured practices and sanctions either used in exigent circumstances or imposed with considerable due process and designed to alter [the] manifestly murderous, dangerous, uncivilized and unsanitary conduct" of repeat offenders housed in disciplinary segregation); *Jordan v. Gardner*, 986 F.2d 1521, 1528 (9th Cir.1993) (en banc) (noting that "greater showing" than deliberate indifference is required "in the context of a

prison-wide disturbance or an individual confrontation between an officer and a prisoner," when "corrections officers must act immediately and emphatically to defuse a potentially explosive situation").

The Eighth Amendment's prohibition against malicious and sadistic use of force is *not* the applicable standard for excessive force claims made by pretrial detainees. See *Pierce v. Multnomah County*, 76 F.3d 1032, 1042 (9th Cir.1996) ("the Eighth Amendment's prohibition against the malicious or sadistic use of force ... does not apply until after conviction and sentence").

For a definition of "color of law," see Instruction 11.2 (Under Color of Law Defined).

11.10 VIOLATION OF PRISONER'S FEDERAL CIVIL RIGHTS—EIGHTH AMENDMENT—GENERAL CONDITIONS OF CONFINEMENT CLAIM

On the plaintiff's Eighth Amendment conditions of confinement claim, the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the defendant acted with deliberate indifference;
2. the defendant acted under color of law; and
3. the conduct of the defendant caused harm to the plaintiff.

To establish deliberate indifference, the plaintiff must prove that the defendant knew that the plaintiff faced a substantial risk of serious harm and disregarded that risk by failing to take reasonable measures to correct it.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

Regarding deliberate indifference, see *Farmer v. Brennan*, 511 U.S. 825 (1994) (finding of deliberate indifference requires that a correctional official "must both be aware of facts from which the inference could be drawn that a substantial risk of serious harm exists, and he must also draw the inference"); *Robins v. Meecham*, 60 F.3d 1436, 1440 (9th Cir.1995) (noting that the Supreme Court has never indicated that the Eighth Amendment requires a specific intent to harm or punish a specific individual).

Regarding conditions of confinement, see *Helling v. McKinney*, 509 U.S. 25, 33 (1993) (finding that Eighth Amendment requires consideration of both current conditions but also those that are "sure or very likely to cause serious illness and needless suffering the next week or month or year.... [A] remedy for unsafe conditions need not await a tragic event."); *Wilson v. Seiter*, 501 U.S. 294, 303 (1991) (describing "the protection [an inmate] is afforded against other inmates" as a "conditio[n] of confinement" subject to strictures of Eighth Amendment); *Rhodes v. Chapman*, 452 U.S. 337, 347 (1981) (conditions of confinement may be "restrictive and even harsh" without violating the Eighth Amendment, but a prison official's act or omission may not deny the prisoner "the minimal civilized measure of life's necessities"); *Toussaint v. McCarthy*, 801 F.2d 1080, 1107 (9th Cir.1986) (life's necessities include "food, clothing, shelter, sanitation, medical care and personal safety"). See also *Johnson v. Lewis*, 217 F.3d 726 (9th Cir.2000) (evidence of substantial deprivations of shelter, food, drinking water, and sanitation precluded summary judgment).

11.11 VIOLATION OF PRISONER'S FEDERAL CIVIL RIGHTS—EIGHTH AMENDMENT—MEDICAL CARE

On the plaintiff's Eighth Amendment inadequate medical care claim, the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the defendant acted with deliberate indifference to a serious medical need;
2. the defendant acted under color of law; and
3. the deliberate indifference of the defendant caused harm to the plaintiff.

A serious medical need exists if the failure to treat a prisoner's condition could result in further significant injury or the unnecessary and wanton infliction of pain.

"Deliberate indifference" is the conscious or reckless disregard of the consequences of one's acts or omissions. To establish deliberate indifference, the plaintiff must prove that the defendant knew that the plaintiff faced a substantial risk of serious harm and disregarded that risk by failing to take reasonable measures to correct it. Mere medical malpractice or even gross negligence is not enough to establish deliberate indifference.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

Regarding deliberate indifference, see *Estelle v. Gamble*, 429 U.S. 97, 106 (1976) (only deliberate indifference to serious medical needs violates the Eighth Amendment; "a complaint that a physician has been negligent in diagnosing or treating a medical condition does not state a valid claim of medical mistreatment under the Eighth Amendment. Medical malpractice does not become a constitutional violation merely because the victim is a prisoner."); *Wakefield v. Thompson*, 177 F.3d 1160, 1164–65 (9th Cir.1999) (noting that delayed or intentional interference with medical treatment can amount to deliberate indifference); *Jackson v. McIntosh*, 90 F.3d 330, 332 (9th Cir.1996) (finding difference of opinion between the physician and prisoner concerning the appropriate course of treatment does not amount to deliberate indifference); *O'Loughlin v. Doe*, 920 F.2d 614, 617 (9th Cir.1990) (isolated occurrences of neglect are not sufficient to show deliberate indifference); *Wood v. Housewright*, 900 F.2d 1332, 1334 (9th Cir.1990) ("[w]hile poor medical treatment will at a certain point rise to the level of a constitutional violation, mere malpractice, or even gross negligence, does not suffice"); *Sanchez v. Vild*, 891 F.2d 240, 242 (9th Cir.1989) (finding difference of opinion between medical professionals concerning the appropriate course of treatment does not amount to deliberate indifference); *Shapley v. Nevada Bd. of State Prison Comm'rs*, 766 F.2d 404, 407 (9th Cir.1985) (holding that prisoner must show delay led to further injury).

Regarding medical needs, see *Doty v. County of Lassen*, 37 F.3d 540, 546 (9th Cir.1994) (serious medical conditions are those a reasonable doctor would think worthy of comment, those which significantly affect the prisoner's daily activities, and those which are chronic and accompanied by substantial pain); *McGuckin v. Smith*, 974 F.2d 1050, 1059 (9th Cir.1992) (a "serious" medical need exists if the failure to treat a prisoner's condition could result in further significant injury or the "unnecessary and wanton infliction of pain"), *overruled on other grounds*, *WMX Techs., Inc. v. Miller*, 104 F.3d 1133 (9th Cir.1997) (en banc); *Hoptowit v. Ray*, 682 F.2d 1237, 1253 (9th Cir.1982) (medical needs include those related to "physical, dental, and mental health").

As to pretrial detainees, see *Frost v. Agnos*, 152 F.3d 1124, 1128 (9th Cir.1998) (while Eighth Amendment applies only to convicted persons, courts look to Eighth Amendment standards when considering medical care claims raised by pretrial detainees).

11.12 MUNICIPAL LIABILITY

When a plaintiff is deprived of a constitutional right as a result of the official policy of a [city] [county], the [city] [county] is liable for damages caused by the deprivation.

"Official policy" means:

- [(1) a rule or regulation promulgated, adopted, or ratified by the governmental entity's legislative body;]
- [(2) a policy statement or decision that is officially made by the [city's] [county's] [policy-making official;]
- [(3) a custom that is a permanent, widespread, well-settled practice that constitutes a standard operating procedure of the [city] [county];] or
- [(4) an act or omission ratified by the [city's] [county's] policy-making official.]

Comment

These definitions are selected examples of official policy drawn from the cited cases. This instruction may need to be modified depending on the facts of a particular case.

The court may need to instruct the jury about who are policy-makers as a matter of law. *See* Instruction 11.13 (Official Policy Makers). *See also St. Louis v. Praprotnik*, 485 U.S. 112, 124 (1988) (determination of who is a final policy-maker is a legal issue to be determined by the court based on state and local law).

A municipality may be held liable for an official policy or informal custom, *Monell v. Department of Social Servs. of New York*, 436 U.S. 658, 690–94 (1978), for acts or decisions of officials with final policy-making authority, *Jett v. Dallas Indep. Sch. Dist.*, 491 U.S. 701, 737 (1989), or for consciously ratifying the conduct of another, *Gillette v. Delmore*, 979 F.2d 1342, 1347 (9th Cir.1992). *See also Trevino v. Gates*, 99 F.3d 911, 918 (9th Cir.1996) (finding that liability for an improper custom may not be predicated on isolated or sporadic incidents); *Redman v. County of San Diego*, 942 F.2d 1435, 1443–44 (9th Cir.1991) (finding that the repeated contravention of official written policy may itself constitute a custom or practice giving rise to liability), *cert. denied*, 502 U.S. 1074 (1992).

11.13 OFFICIAL POLICY—MAKERS

[name of official] is a policy-making official of the [city] [county] of [name of city or county].

Comment

The court must decide which officials have the power to make official or final policy on a particular issue or subject area. *See Jett v. Dallas Indep. Sch. Dist.*, 491 U.S. 701, 737–38 (1989). That determination depends upon an analysis of state law. *See McMillian v. Monroe County*, 520 U.S. 781, 786 (1997).

11.14 MUNICIPAL LIABILITY—FAILURE TO TRAIN—ELEMENTS AND BURDEN OF PROOF

On the plaintiff's claim for failure to train, the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the [city's] [county's] training program was not adequate to train its [officers] [employees] to properly handle the usual and recurring situations with which they must deal;
2. the [city] [county] was deliberately indifferent to the need to train its [officers] [employees] adequately; and
3. the failure to provide proper training was the cause of the deprivation of the plaintiff's rights protected by the Constitution or laws of the United States.

"Deliberate indifference" is the conscious or reckless disregard of the consequences of one's acts or omissions. To establish deliberate indifference, the plaintiff must prove that the defendant knew that the plaintiff faced a substantial risk of serious harm and disregarded that risk by failing to take reasonable measures to correct it.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

Liability exists "only where the failure to train amounts to deliberate indifference to the rights of persons with whom police come in contact." *City of Canton v. Harris*, 489 U.S. 378, 388 (1989). *See also Ting v. United States*, 927 F.2d 1504, 1512 (9th Cir.1991) (finding no inadequate training based only on plaintiff's showing that better or more training could have averted harm, where the deficiency did not represent a conscious choice by defendant to expose plaintiff to likely injury); *Merritt v. County of Los Angeles*, 875 F.2d 765, 769–70 (9th Cir.1989) (finding that a single incident of errant behavior did not demonstrate inadequate training).

Actual or constructive knowledge of a risk of harm, coupled with a failure to act to prevent the harm, constitutes deliberate indifference. *See Jordan v. Gardner*, 986 F.2d 1521, 1529 (9th Cir.1993) (en banc). *See also Redman v. County of San Diego*, 942 F.2d 1435, 1442 (9th Cir.1991) (noting that deliberate indifference does not require an express intent to harm, but that it may involve more than a mere suspicion that harm will occur), *cert. denied*, 502 U.S. 1074 (1992).

12. CIVIL RIGHTS—TITLE VII— EMPLOYMENT DISCRIMINATION; HARASSMENT; RETALIATION

Analysis

Instruction

Introductory Comment

- 12.1A Disparate Treatment—Where Evidence Supports “Sole Reason” or “Motivating Factor”
 - 12.1B Disparate Treatment—“Sole Reason”—Elements and Burden of Proof
 - 12.1C Disparate Treatment—“Motivating Factor”—Elements and Burden of Proof
 - 12.2 Hostile Work Environment—Harassment
 - 12.2A Hostile Work Environment—Harassment Because of Protected Characteristics—Elements
 - 12.2B Hostile Work Environment Caused by Supervisor—Claim Based upon Vicarious Liability—Tangible Employment Action—Affirmative Defense
 - 12.2C Hostile Work Environment Caused by Non-Immediate Supervisor or by Co-worker—Claim Based on Negligence
 - 12.3 Retaliation
 - 12.3A Retaliation —Elements
 - 12.4 Definition of Common Terms
 - 12.4A Adverse Employment Action Defined
 - 12.4A.1 “Adverse Employment Action” in Retaliation Cases
 - 12.4A.2 “Adverse Employment Action” in Disparate Treatment Cases
 - 12.4B Tangible Employment Action Defined
 - 12.4C Constructive Discharge Defined
 - 12.5 Defenses
 - 12.5A Defense—Bona Fide Occupational Qualification
 - 12.5B Defense—Bona Fide Seniority System
 - 12.5C Defense—After-Acquired Evidence
-

Introductory Comment

Employment discrimination law under Title VII of the Civil Rights Act, 42 U.S.C. § 2000e et seq., and 42 U.S.C. § 1981a is complex and evolving. The Committee has substantially revised the 2001 edition of the Ninth Circuit Manual of Model Jury Instructions (Civil) in this area to reflect changes in case law and to re-arrange and re-name these instructions for easier reference and use.

Prior to the 1991 amendments to the Civil Rights Act, jury trials were not available in Title VII cases. The Civil Rights Act of 1991 now permits Title VII cases to be tried by jury. 42 U.S.C. § 1981a(c). The plaintiff may recover upon a showing that the alleged discriminatory employment practice was based on an individual's race, color, religion, sex or national origin. 42 U.S.C. § 2000e-2(a)(1). The plaintiff may prevail by showing that the discrimination was "a motivating factor" in the employment decision even though other factors also motivated the decision. *Washington v. Garrett*, 10 F.3d 1421, 1433 n.15 (9th Cir.1993); *see also Costa v. Desert Palace, Inc.*, 299 F.3d 838, 853-859 (9th Cir.2002) (en banc), *aff'd by* 539 U.S. 90 (2003) ("Put simply, the plaintiff in any Title VII case may establish a violation through a preponderance of evidence (whether direct or circumstantial) that a protected characteristic played 'a motivating factor.'"). (See Instruction 12.1A)

The text of Title VII in 42 U.S.C. § 2000e et seq. does not contain a damages provision. As a result of the 1991 Amendment the available remedies are set forth in 42 U.S.C. § 1981a(a). Plaintiffs may recover injunctive relief, compensatory and punitive damages and attorneys' fees under Title VII. 42 U.S.C. § 1981a(a)(1). However, recovery of compensatory and punitive damages under Title VII is limited by the statutory caps provided in 42 U.S.C. § 1981a(b)(3). Under 42 U.S.C. § 1981a(c)(2), a jury must not be advised of limitations on compensatory and punitive damages for employers of different sizes. Under 42 U.S.C. § 2000e-5(g)(2)(B), if the defendant shows that an adverse employment action would have been taken anyway without the unlawful motivating factor, the available remedies to the plaintiff are limited. Front and back pay are not elements of compensatory damages, are not subject to the statutory cap, and are issues for the court. *See Pollard v. E.I. du Pont de Nemours & Company*, 532 U.S. 843, 848 (2001); *see also Landgraf v. USI Film Products*, 511 U.S. 244, 253 (1994). The court, however, may consider submitting questions of front and back pay to the jury for advisory findings pursuant to Fed. R. Civ. P. 39(c). See Chapter 7 on damages and Comments to §§ 7.2 and 7.5 discussing the special damage rules that apply to Title VII cases.

A plaintiff's remedies may be limited in so-called "mixed motive cases" where the plaintiff establishes liability by proving that a protected characteristic was a "motivating factor" in an employment action. *See* 42 U.S.C. § 2000e-2(m); 42 U.S.C. § 2000e-5(g)(2)(B). In such cases, if the employer can prove that it would have made the same employment decision for lawful reasons, the plaintiff's relief is limited to declaratory relief, attorneys' fees and costs. 42 U.S.C. § 2000e-5(g)(2)(B); *O'Day v. McDonnell Douglas Helicopter Co.*, 79 F.3d 756, 760 (9th Cir.1996).

No *McDonnell Douglas* burden shifting instruction should be given in Title VII cases. *Costa v. Desert Palace, Inc.*, 299 F.3d 838, 855 (9th Cir.2002) (en banc), *aff'd by* 539 U.S. 90

(2003) (“It is not normally appropriate to introduce the *McDonnell Douglas* burden-shifting framework to the jury”). *See also Sanghvi v. City of Claremont*, 328 F.3d 532, 540 (9th Cir.2003) (“it is error to charge the jury with the elements of the *McDonnell Douglas* prima facie case”). Cases discussing pretext and burden shifting arise in the summary judgment and directed verdict context. *See for example, Yartsoff v. Thomas*, 809 F.2d 1371, 1375 (9th Cir.1987), *cert. denied*, 498 U.S. 939 (1990).

Organization of Instructions

The instructions in this chapter are arranged in accordance with the three theories of liability that are most frequently asserted in Title VII cases. Subchapter 12.1 sets forth the instructions that pertain to a claim of disparate treatment (intentional discrimination). Subchapter 12.2 sets forth the instructions that pertain to a claim of harassment or hostile work environment. Subchapter 12.3 sets forth the instructions relating to a claim of retaliation. Finally, because there are certain terms and defenses that are common to Title VII employment cases, they are set forth and defined in Subchapters 12.4 and 12.5, respectively.

The Committee recommends that the court first identify the theory under which the plaintiff has asserted a Title VII claim, and then refer to the relevant Subchapter for applicable jury instructions. The basic instructions set forth in Subchapters 12.1 and 12.2 may be used regardless of a particular plaintiff’s protected status. Thus, depending upon whether the claim is based on race, color, religion, sex or national origin, instructions in Subchapters 12.1 and 12.2 can be adjusted to reflect the protected trait at issue in the particular case.

In some cases where the employer is a public entity, the plaintiff also has the option of suing under 42 U.S.C. § 1983. However, the general elements of such claim are the same as under Title VII. Accordingly, in addition to the essential elements of a 42 U.S.C. § 1983 claim, the court may wish to refer to the instructions in Subchapters 12.1 and 12.2, whenever the § 1983 claim is based on disparate treatment or harassment, respectively.

Approved 8/2004

12.1A DISPARATE TREATMENT—WHERE EVIDENCE SUPPORTS “SOLE REASON” OR “MOTIVATING FACTOR”

The plaintiff has brought a claim of employment discrimination against the defendant. The plaintiff claims that [his] [her] [[race] [color] [religion] [sex] [national origin]] was either the sole reason or a motivating factor for the defendant’s decision to [[discharge] [not hire] [not promote] [demote] [*state other adverse action*]] the plaintiff. The defendant denies that plaintiff’s [[race] [color] [religion] [sex] [national origin]] was either the sole reason or a motivating factor for the defendant’s decision to [[discharge] [not hire] [not promote] [demote] [*state other adverse action*]] the plaintiff [and further claims the decision to [[discharge] [not hire] [not promote] [demote] [*state other adverse action*]] the plaintiff was based upon [a] lawful reason[s]].

Comment

Use this instruction and Instructions 12.1B and 12.1C whenever the Title VII claim is based on disparate treatment.

For a definition of “adverse employment action” in disparate treatment cases, see Instruction 12.4A.2.

The Civil Rights Act of 1991 clarified the extent to which an improper motive may be the basis for liability when a defendant’s actions are based upon both lawful and unlawful motives. The Act rendered such cases triable by jury on the issue of compensatory and punitive damages. 42 U.S.C. § 1981a(c). The Act further clarified that a defendant is liable if the plaintiff shows that the discrimination was a “motivating factor” in the challenged decision or action, “even though other factors also motivated” the challenged action or decision and regardless of whether the case was one of “pretext” or “mixed motives.” 42 U.S.C. § 2000e-2(m).

Where the defendant would have made the same decision in the absence of a discriminatory motive, the plaintiff’s remedies are limited under the 1991 Act to declaratory or injunctive relief, as well as attorneys’ fees and costs. 42 U.S.C. § 2000e-5(g)(2)(B) (modifying *Price Waterhouse v. Hopkins*, 490 U.S. 228 (1989)). See also *Washington v. Garrett*, 10 F.3d 1421, 1432 n.15 (9th Cir.1993), for a discussion of remedy limitations under the 1991 Act.

The judge should consider providing the jury with the following special verdict form to determine the jury’s findings on the question of sole or mixed motive.

Special Verdict

1. Has the plaintiff proved by a preponderance of the evidence, that the plaintiff’s [[race] [color] [religion] [sex] [national origin]] was the sole reason for the defendant’s decision to [*state adverse action*]?

Yes No

If the answer to Question No. 1 is “yes,” proceed to Question No. 5. If the answer to Question No. 1 is “no,” proceed to Question No. 2.

2. Has the plaintiff proved by a preponderance of the evidence that the plaintiff’s [[race] [color] [religion] [sex] [national origin]] was a motivating factor for the defendant’s decision to [state adverse action]?

Yes No

If the answer to Question No. 2 is “no,” do not answer any further questions on [the plaintiff’s claim of disparate treatment]. If the answer to Question No. 2 is “yes,” proceed to Question No. [*if same decision affirmative defense applies: 3*] [*if same decision affirmative defense does not apply: 5*]

[If “same decision” affirmative defense applies, add question 3, and if appropriate, question 4:]

3. Has the defendant proved by a preponderance of the evidence that the defendant’s decision to [state adverse action] was also motivated by a lawful reason?

Yes No

If your answer to Question No. 3 is “no,” proceed to Question No. 5. If your answer to Question No. 3 is “yes,” proceed to Question No. 4.

4. Has the defendant proved, by a preponderance of the evidence, that the defendant would have made the same decision to [state adverse employment action] even if the plaintiff’s [[race] [color] [religion] [sex] [national origin]] had played no role in the defendant’s decision to [state adverse employment action] ?

Yes No

If your answer to Question No. 4 is “yes,” do not answer any further questions on damages related to the plaintiff’s claim of disparate treatment.

If your answer to Question No. 4 is “no”, proceed to Question 5.

5. [*The judge should draft further special verdict questions to cover damages, including punitive damages if appropriate.*]

Approved 8/2004

12.1B DISPARATE TREATMENT—“SOLE REASON”—ELEMENTS AND BURDEN OF PROOF

As to the plaintiff's claim that [his] [her] [[race] [color] [religion] [sex] [national origin]] was the sole reason for the defendant's decision to [[discharge] [not hire] [not promote] [demote] [*state other adverse action*]] [him] [her], the plaintiff has the burden of proving both of the following elements by a preponderance of the evidence:

1. the plaintiff was [[discharged] [not hired] [not promoted] [demoted] [*state other adverse action*]] by the defendant; and
2. the plaintiff was [[discharged] [not hired] [not promoted] [demoted] [*state other adverse action*]] solely because of the plaintiff's [[race] [color] [religion] [sex] [national origin]].

If you find that the plaintiff has proved both of these elements, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove either of these elements, your verdict should be for the defendant.

Comment

See Comment to Instruction 12.1A.

Approved 8/2004

12.1C DISPARATE TREATMENT—“MOTIVATING FACTOR”—ELEMENTS AND BURDEN OF PROOF

As to the plaintiff’s claim that [his] [her] [[race] [color] [religion] [sex] [national origin]] was a motivating factor for the defendant’s decision to [[discharge] [not hire] [not promote] [demote] [state other adverse action]] [him] [her], the plaintiff has the burden of proving both of the following elements by a preponderance of the evidence:

1. the plaintiff was [[discharged] [not hired] [not promoted] [demoted] [state other adverse action]] by the defendant; and
2. the plaintiff’s [[race] [color] [religion] [sex] [national origin]] was a motivating factor in the defendant’s decision to [[discharge] [not hire] [not promote] [demote] [state other adverse action]] the plaintiff.

[If you find that the plaintiff has proved both of these elements, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove either of these elements, your verdict should be for the defendant.]

[If “same decision” affirmative defense applies, add the following, and omit the bracketed paragraph above:]

If you find the plaintiff’s [[race] [color] [religion] [sex] [national origin]] was a motivating factor in the defendant’s decision to [[discharge] [not hire] [not promote] [demote] [state other adverse action]] [him] [her], the plaintiff is entitled to your verdict, even if you find that the defendant’s conduct was also motivated by a lawful reason. The plaintiff is entitled to monetary damages if you find that the defendant’s decision was motivated both by [[race] [color] [religion] [sex] [national origin]] and a lawful reason, unless the defendant proves by a preponderance of the evidence that the defendant would have made the same decision even if the plaintiff’s [[race] [color] [religion] [sex] [national origin]] had played no role in the employment decision.

Comment

See Comment to Instruction 12.1A.

Approved 8/2004

12.2 HOSTILE WORK ENVIRONMENT—HARASSMENT

Comment

The Supreme Court addressed the law of harassment claims under Title VII in two companion cases, *Burlington Indus. Inc. v. Ellerth*, 524 U.S. 742 (1998), and *Faragher v. City of Boca Raton*, 524 U.S. 775 (1998) [collectively, *Ellerth/Faragher*]. Although those cases relate to sexual harassment, the Committee does not discern any conceptual difference between harassment because of sex and harassment because of race or any other protected status. Accordingly, the following instructions are applicable to harassment based upon race, color, sex, religion and national origin.

Ellerth/Faragher clarified the standards governing an employer's liability for harassment. Essentially, when an employee suffers a tangible employment action resulting from a direct supervisor's harassment, the employer's liability is established by proof of the harassment and a resulting tangible employment action. See *Faragher*, 524 U.S. at 807-08. No affirmative defense is available to the employer in those cases. In cases where no tangible employment action has been taken, the employer may interpose an affirmative defense to defeat liability by proving (a) that the employer exercised reasonable care to prevent and correct promptly any discriminatory conduct, and (b) the plaintiff unreasonably failed to take advantage of any preventive or corrective opportunities provided by the employer or to otherwise avoid harm. *Id.*; *Ellerth*, 524 U.S. at 764-65; see also *Holly D. v. Cal. Inst. of Tech.*, 339 F.3d 1158, 1166-67 (9th Cir.2003); *Swinton v. Potomac Corporation*, 270 F.3d 794, 803 (9th Cir.2001). (See Instruction 12.2B) In *Pennsylvania State Police v. Suders*, 124 S. Ct. 2342 (2004), the Supreme Court applied the framework of *Ellerth/Faragher* to a case of constructive discharge due to a hostile work environment. In such a case, the *Ellerth/Faragher* affirmative defense is available to the employer, unless an official act, i.e. a tangible employment action, of the employer precipitated the employee's decision to resign. *Id.* at 2355.

If, however, harassment is committed by a co-worker or a non-direct supervisor of the plaintiff, the employer is liable only under a negligence theory. In this situation, the employer may not invoke the *Ellerth/Faragher* affirmative defense. See *Swinton*, 270 F.3d at 803-04 (noting that the principle embodied in the affirmative defense is contained in the requirements for a prima facie case based on negligence). (See Instruction 12.2C)

In *Holly D.*, the Ninth Circuit explained how pre-*Ellerth/Faragher* cases analyzing "quid pro quo" harassment, or "sex for jobs (or job benefits)," are consistent with the *Ellerth/Faragher* analysis. See *Holly D.*, 339 F.3d at 1168-70. Inasmuch as sexual harassment claims, including those referred to as quid pro quo claims, are now analyzed under the *Ellerth/Faragher* framework, the Committee has removed former Instructions 13.6 and 13.7.

Approved 8/2004

12.2A HOSTILE WORK ENVIRONMENT— HARASSMENT BECAUSE OF PROTECTED CHARACTERISTICS—ELEMENTS

The plaintiff seeks damages against the defendant for a [[racially] [sexually] [other Title VII protected characteristic]] hostile work environment while employed by the defendant. In order to establish a [[racially] [sexually] [other Title VII protected characteristic]] hostile work environment, the plaintiff must prove each of the following elements by a preponderance of the evidence:

1. the plaintiff was subjected to [slurs, insults, jokes or other verbal comments or physical contact or intimidation of a racial nature], [sexual advances, requests for sexual conduct, or other verbal or physical conduct of a sexual nature], or [conduct affecting other Title VII protected characteristics];
2. the conduct was unwelcome;
3. the conduct was sufficiently severe or pervasive to alter the conditions of the plaintiff's employment and create a [[racially] [sexually] [other Title VII protected characteristic]] abusive or hostile work environment;
4. the plaintiff perceived the working environment to be abusive or hostile; and
5. a reasonable [woman] [man] in the plaintiff's circumstances would consider the working environment to be abusive or hostile.

Whether the environment constituted a [[racially] [sexually] [other Title VII protected characteristic]] hostile work environment is determined by looking at the totality of the circumstances, including the frequency of the harassing conduct, the severity of the conduct, whether the conduct was physically threatening or humiliating or a mere offensive utterance, and whether it unreasonably interfered with an employee's work performance.

Comment

The elements of this instruction are derived from *Fuller v. City of Oakland, California*, 47 F.3d 1522, 1527 (9th Cir.1995). The language in the instruction regarding the factors used to determine whether a working environment was sufficiently hostile or abusive is derived from *Harris v. Forklift Sys., Inc.*, 510 U.S. 17, 23 (1993).

This instruction should be given in conjunction with other appropriate instructions, including 12.2B (Hostile Work Environment Caused by Supervisor—Claim Based Upon Vicarious Liability—Tangible Employment Action—Affirmative Defense); 12.2C (Hostile Work Environment Caused by Non-Immediate Supervisor or by Co-Worker—Claim Based On Negligence; and, if necessary, 12.4B (Tangible Employment Action Defined).

“A plaintiff must show that the work environment was both subjectively and objectively hostile.” *McGinest v. GTE Service Corp.*, 360 F.3d 1103, 1113 (9th Cir.2004); *see also Fuller*, 47 F.3d at 1527 (citing *Harris*, 510 U.S. at 21-22). For the

objective element, the Ninth Circuit has adopted the “reasonable victim” standard. *Ellison v. Brady*, 924 F.2d 872, 878-80 (9th Cir.1991). Therefore, if the plaintiff/victim is a woman, element five of the instruction should state “reasonable woman,” and if the plaintiff/victim is a man, “reasonable man.” *Ellison*, 924 F.2d at 879, n.11.

Approved 8/2004

**12.2B HOSTILE WORK ENVIRONMENT CAUSED BY SUPERVISOR—CLAIM
BASED UPON VICARIOUS LIABILITY—TANGIBLE EMPLOYMENT ACTION—
AFFIRMATIVE DEFENSE**

An employer may be liable when a supervisor with immediate or successively higher authority over the employee creates a [[racially] [sexually] [other Title VII protected characteristic]] hostile work environment for that employee. The plaintiff claims that [he] [she] was subjected to a [[racially] [sexually] [other Title VII protected characteristic]] hostile work environment by _____, and that _____ was [his] [her] [immediate supervisor] [a person with successively higher authority over plaintiff].

The defendant denies the plaintiff's claim. The plaintiff must prove [his] [her] claim by a preponderance of the evidence.

[If Ellerth/Faragher affirmative defense applies, add the following:]

In addition to denying the plaintiff's claim, the defendant has asserted an affirmative defense. Before you consider this affirmative defense, you must first decide whether plaintiff has proved by a preponderance of the evidence that [he] [she] suffered a tangible employment action as a result of harassment by the supervisor.

If plaintiff has proved that [he][she] suffered a tangible employment action as a result of harassment by the supervisor, you must not consider the affirmative defense.

If plaintiff has not proved that [he][she] suffered a tangible employment action, then you must decide whether the defendant has proved by a preponderance of the evidence each of the following elements:

1. the defendant exercised reasonable care to prevent and promptly correct the [[racially][sexually][other Title VII protected characteristic]] harassing behavior, and
2. the plaintiff unreasonably failed to take advantage of any preventive or corrective opportunities provided by the employer or unreasonably failed to otherwise avoid harm.

If the defendant proves these elements, the plaintiff is not entitled to prevail on this claim.

Comment

See Introductory Comment to this chapter. This instruction should be given in conjunction with Instruction 12.2A (Hostile Work Environment—Harassment Because of Protected Characteristics—Elements) and, if applicable, Instruction 12.4B (Tangible Employment Action Defined).

This instruction is based upon *Burlington Indus., Inc. v. Ellerth*, 524 U.S. 742, 764-65 (1998), *Faragher v. City of Boca Raton*, 524 U.S. 775, 807-08 (1998) and *Swinton v. Potomac Corporation*, 270 F.3d 794, 802 (9th Cir.2001), *cert. denied*, 535 U.S. 1018 (2002).

This instruction addresses harassment by a supervisor with immediate or successively higher authority over the plaintiff. Use the first two paragraphs if no *Ellerth/Faragher* affirmative defense is applicable. Use the entire instruction if an *Ellerth/Faragher* defense is to be considered by the jury.

When harassment is by the plaintiff's immediate or successively higher supervisor, an employer is vicariously liable, subject to a potential affirmative defense. *Faragher*, 524 U.S. at 780; *Nichols v. Azteca Restaurant Enterprises, Inc.*, 256 F.3d 864, 875 (9th Cir. 2001). For vicarious liability to attach it is not sufficient that the harasser be employed in a supervisory capacity; he must have been the plaintiff's immediate or successively higher supervisor. *Swinton*, 270 F.3d at 805, citing *Faragher*, 514 U.S. at 806. An employee who contends that he or she submitted to a supervisor's threat to condition continued employment upon participation in unwanted sexual activity alleges a tangible employment action, which, if proved, deprives the employer of an *Ellerth/Faragher* defense. *Holly D. v. Cal. Inst. of Tech.*, 339 F.3d 1158, 1173 (9th Cir.2003) (affirming summary judgment for the employer due to insufficient evidence of any such condition imposed by plaintiff's supervisor). See *Pennsylvania State Police v. Suders*, 124 S. Ct. 2342, 2349 (2004) for discussion of tangible employment action.

The adequacy of an employer's anti-harassment policy may depend on the scope of its dissemination and the relationship between the person designated to receive employee complaints and the alleged harasser. See, e.g., *Faragher*, 524 U.S. at 808 (policy held ineffective where (1) the policy was not widely disseminated to all branches of the municipal employer and (2) the policy did not include any mechanism by which an employee could bypass the harassing supervisor when lodging a complaint).

"While proof that an employer had promulgated an anti-harassment policy with complaint procedure is not necessary in every instance as a matter of law, the need for a stated policy suitable to the employment circumstances may appropriately be addressed in any case when litigating the first element of the defense." *Ellerth*, 524 U.S. at 765; *Faragher*, 524 U.S. at 807.

Although proof that the plaintiff failed to use reasonable care in avoiding harm is not limited to showing an unreasonable failure to use any complaint procedure provided by the defendant, a demonstration of such failure will normally suffice to satisfy this prong. See *Ellerth*, 524 U.S. at 765; *Faragher*, 524 U.S. at 807-08.

If the harasser is not plaintiff's immediate or successively higher supervisor, an employer's liability can only be based on negligence. The *Ellerth/Faragher* affirmative defense is not applicable if the claim is based on negligence. Use instruction 12.2C for a claim based on negligence.

12.2C HOSTILE WORK ENVIRONMENT CAUSED BY NON-IMMEDIATE SUPERVISOR OR BY CO-WORKER—CLAIM BASED ON NEGLIGENCE

The plaintiff seeks damages from the defendant for a hostile work environment caused by [[sexual] [racial] [*other Title VII protected characteristic*]] harassment. The plaintiff has the burden of proving both of the following elements by a preponderance of the evidence:

1. the plaintiff was subjected to a [[sexually] [racially] [*other Title VII protected characteristic*]] hostile work environment by a [non-immediate supervisor] [co-worker]; and
2. the defendant or a member of defendant's management knew or should have known of the harassment and failed to take prompt, effective remedial action reasonably calculated to end the harassment.

A person is a member of management if the person has substantial authority and discretion to make decisions concerning the terms of the harasser's employment or the plaintiff's employment, such as authority to counsel, investigate, suspend, or fire the accused harasser, or to change the conditions of the plaintiff's employment. A person who lacks such authority is nevertheless part of management if he or she has an official or strong duty in fact to communicate to management complaints about work conditions. You should consider all the circumstances in this case in determining whether a person has such a duty.

The defendant's remedial action must be reasonable and adequate. Whether the defendant's remedial action is reasonable and adequate depends upon the remedy's effectiveness in stopping the individual harasser from continuing to engage in such conduct and in discouraging other potential harassers from engaging in similar unlawful conduct. An effective remedy should be proportionate to the seriousness of the offense.

If you find that the plaintiff has proved both of the elements on which the plaintiff has the burden of proof, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove either of these elements, your verdict should be for the defendant.

Comment

See Introductory Comment to this chapter. *See also Swinton v. Potomac Corporation*, 270 F.3d 794, 803-05 (9th Cir.2001), *cert. denied*, 535 U.S. 1018 (2002). Use this instruction when the claim against the employer is based on negligence and involves harassment by another co-worker or a supervisor who is not plaintiff's direct (immediate or successively higher) supervisor.

Use this instruction in conjunction with Instruction 12.2A (Hostile Work Environment—Harassment Because of Protected Characteristics —Elements).

Under a negligence theory, an employer is liable if the employer (or its "management") knew or should have known of the harassing conduct and failed to take reasonably prompt corrective action to end the harassment. *Swinton*, 270 F.3d at 803-04. There are two categories

of employees who constitute “management” for purposes of a negligence claim. *Id.* at 804. The first category is a member of management who possesses substantial authority and discretion to make decisions over the plaintiff’s or the harasser’s employment, such as “authority to counsel, investigate, suspend or fire the accused harasser, or to change the conditions of the harassee’s employment.” *Id.* The second category of employees who qualify as management consists of any supervisor who lacks this authority but nonetheless “has an official or strong de facto duty to act as a conduit to management for complaints about work conditions.” *Id.* at 805 (citations omitted).

It should be noted, however, that neither *Swinton* nor any of the cases relied upon by *Swinton* provide a definition of a supervisor or other employee with “an official or strong de facto duty to act as a conduit to management for complaints about work conditions.” See *Swinton*, 270 F.3d at 804-805. To aid jury understanding, the Committee has modified the *Swinton* language of “de facto duty to act as a conduit to management” *Id.* at 805, to “duty in fact to communicate to management”

The two elements of this instruction are based upon *Burrell v. Star Nursery, Inc.*, 170 F.3d 951, 955 (9th Cir.1999) and *Mockler v. Multnomah County*, 140 F.3d 808, 812 (9th Cir.1998). The text of the instruction addressing remedial action is based upon *Mockler*, 140 F.3d at 813 (citing *Ellison v. Brady*, 924 F.2d 872, 882 (9th Cir.1991)).

The burden is on the plaintiff to “show that the employer knew or should have known of the harassment, and took no effectual action to correct the situation.” *Mockler*, 140 F.3d at 812 (citations omitted). “This showing can . . . be rebutted by the employer directly, or by pointing to prompt remedial action reasonably calculated to end the harassment.” *Id.*

In determining whether an employer's response to the harassment is sufficient to absolve it from liability, “the fact that [the] harassment stops is only a test for measuring the efficacy of a remedy, not a way of excusing the obligation to remedy.” *Fuller v. City of Oakland*, 47 F.3d 1522, 1528 (9th Cir.1995). “Once an employer knows or should know of harassment, a remedial obligation kicks in.” *Id.* Therefore, “if 1) no remedy is undertaken, or 2) the remedy attempted is ineffectual, liability will attach.” *Id.* at 1528–29.

For purposes of proving that the defendant “knew or reasonably should have known of the harassment,” it is appropriate to impute this knowledge to a defendant employer if a management-level employee of the employer defendant knew or reasonably should have known that harassment was occurring. *Swinton*, 270 F.3d at 804.

Approved 8/2004

12.3 RETALIATION

Comment

Title VII provides that it is an unlawful employment practice for a person covered by the Act to discriminate against an individual “because he has opposed any practice made an unlawful employment practice by this subchapter, or because he has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this subchapter.” 42 U.S.C. § 2000e-3(a).

The Committee believes that the law of retaliation may be in flux at this time. In *Villiarimo v. Aloha Island Air, Inc.*, 281 F.3d 1054, 1064-65 (9th Cir.2002), the Ninth Circuit held, not in a jury instruction context, that in order to establish the element of causation in a Title VII retaliation claim, the plaintiff must show “by a preponderance of the evidence that engaging in the protected activity was one of the reasons for [the adverse employment decision] *and* that *but for* such activity,” (emphasis added) the adverse employment decision would not have occurred. See also *Ruggles v. California Polytechnic State University*, 797 F.2d 782, 785-86 (9th Cir. 1996) (quoting *Kaufman v. Sidereal Corp.*, 695 F.2d 343, 345 (9th Cir. 1982). However, in the context of a First Amendment retaliation claim under 42 U.S.C. § 1983, the Ninth Circuit applies only a “substantial or motivating factor” test for causation. See, e.g., *Ostad v. Oregon Health Sciences University*, 327 F.3d 876, 885 (9th Cir.2003); *Coszalter v. City of Salem*, 320 F.3d 968, 973 (9th Cir.2003).

The decision in *Costa v. Desert Palace, Inc.*, 299 F.3d 838 (9th Cir.2002) (en banc), *aff’d* by 539 U.S. 90 (2003), may cast doubt on the continued vitality of the “but for” causation requirement for Title VII claims. *Costa* explained that the Civil Rights Act of 1991 “expressly overruled the basic premise that an employer could avoid all liability under Title VII by establishing the absence of ‘but for’ causation.” *Id.* at 850. Rather, under current Title VII, “use of a prohibited characteristic (race, color, religion, sex, or national origin) as simply ‘a motivating factor’ in an employment action is unlawful.” *Id.*; 42 U.S.C. § 2000e-2(m). Moreover, the employer’s proof that it would have made the “same decision” even in the absence of the impermissible motivating factor can serve as a limitation of remedies, but not as a defense to liability. *Costa*, 299 F.3d at 850; 42 U.S.C. § 2000e-5(g)(2)(B).

The Ninth Circuit has not clarified whether the “motivating factor” test for causation applies to Title VII claims for retaliation. This issue is unclear because 42 U.S.C. § 2000e-2(m) does not explicitly apply to retaliation claims. It therefore remains an open question whether an employee can establish a Title VII retaliation claim by showing that the employee’s protected conduct was a “motivating factor” for the adverse employment decision. If the “motivating factor” test is applicable, a further open question is whether, as in other non-retaliation Title VII claims, the employer is then entitled to limit plaintiff’s relief to declaratory relief, attorneys’ fees and costs by proving that it would have made the same employment decision for lawful reasons. See 42 U.S.C. § 2000e-5(g)(2)(B). One federal court that has analyzed this issue concluded that “the interests of uniformity” required it to extend this framework to Title VII retaliation claims. See *Gonzales v. City of Minneapolis*, 267 F.Supp. 2d 1004, 1010 (D. Minn. 2003).

In light of this uncertainty, the Committee adopted an instruction that permits the court to decide which of the two alternative tests for causation it elects to use. See Instruction 12.3A.

Approved 8/2004

12.3A RETALIATION—ELEMENTS

The plaintiff seeks damages against the defendant for retaliation. The plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the plaintiff engaged in or was engaging in an activity protected under federal law, that is [activity];
 2. the employer subjected the plaintiff to an adverse employment action, that is [adverse employment action]; and
 3. [the protected activity was a substantial or motivating factor in the adverse employment action.]
- or*
3. [the protected activity was one of the reasons for the adverse employment action and that but for such activity, the plaintiff would not have been subjected to the adverse employment action].

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any one of these elements, your verdict should be for the defendant.

Comment

See generally the Comment at 12.3.

For a definition of “adverse employment action” in the context of retaliation, see Instruction 12.4A.1.

See the Comment at 12.3 for a discussion of the requisite causal link between the protected activity and the adverse employment decision, and the uncertainty in the Ninth Circuit regarding the appropriate jury instruction to express this causation requirement.

In order to be protected activity, the plaintiff's opposition must have been directed toward a discriminatory act by the defendant employer or an agent of the defendant employer. *See Silver v. KCA, Inc.*, 586 F.2d 138, 140–42 (9th Cir.1978) (employee's opposition to a racially discriminatory act of a co-employee cannot be the basis for a retaliation action); *E.E.O.C. v. Crown Zellerbach Corp.*, 720 F.2d 1008, 1013-14 (9th Cir.1983) (employee's objections to discriminatory practices by the warehouse personnel manager, on facts presented, constituted objections to discriminatory actions of the employer).

Only reasonable opposition to the employment practice is protected by Title VII. *See, e.g., Wrighten v. Metropolitan Hosps., Inc.*, 726 F.2d 1346, 1354–56 (9th Cir.1984); *Crown Zellerbach Corp.*, 720 F.2d at 1015.

Informal as well as formal complaints or demands are protected activity under Title VII.
See Passantino v. Johnson & Johnson Consumer Products, Inc., 212 F.3d 493, 506 (9th Cir.2000).

See also Allen v. Iranon, 283 F.3d 1070, 1075-76 (9th Cir.2002) (citing *Mt. Healthy City School Dist. Bd. of Educ. v. Doyle*, 429 U.S. 274 (1977)).

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12.4 DEFINITION OF COMMON TERMS

Comment

This subchapter contains instructions defining the following terms: (1) “Adverse Employment Action” (Instructions 12.4A.1 and 12.4A.2); (2) “Tangible Employment Action” (Instruction 12.4B); (3) “Constructive Discharge” (Instruction 12.4C). These phrases can be applicable to more than one of the various Title VII claims described above. Use the instruction applicable to the particular basis for Title VII recovery that plaintiff is pursuing.

Instructions 12.4A.1 and 12.4A.2 contain different definitions of “adverse employment action.” One is for retaliation cases, and the other is for disparate treatment cases.

Approved 8/2004

12.4A ADVERSE EMPLOYMENT ACTION DEFINED

Comment

Although the Ninth Circuit has not explicitly recognized a distinction between the definition of “adverse employment action” in the context of a retaliation claim as opposed to a disparate treatment claim, the definitions appear to be distinct. Whereas an adverse employment action for purposes of a disparate treatment claim must materially affect the terms and conditions of a person’s employment, in the context of a retaliation claim, an adverse action need not “materially affect the terms and conditions of employment,” so long as it is reasonably likely to deter an employee from engaging in a protected activity. *See Ray v. Henderson*, 217 F.3d 1234, 1242-43 (9th Cir.2000); *see also Coszalter v. City of Salem*, 320 F.3d 968, 973 (9th Cir.2003).

Approved 8/2004

12.4A.1 “ADVERSE EMPLOYMENT ACTION” IN RETALIATION CASES

An action is an adverse employment action if it is reasonably likely to deter an employee from engaging in protected activity.

Comment

The definition of “adverse employment action” for purposes of a retaliation claim is derived from *Ray v. Henderson*, 217 F.3d 1234, 1242-43 (9th Cir.2000). Actions such as firing and demoting are adverse employment actions for purposes of a retaliation claim. In addition, other actions that do not rise to the level of ultimate employment actions, such as a lateral transfer, an unfavorable reference that had no effect on a prospective employer’s hiring decision, and the imposition of a more burdensome work schedule, may also be considered adverse employment actions in this context. *Id.*

Adverse employment actions take many forms. *See, e.g., Manatt v. Bank of America, NA*, 339 F.3d 792, 802 (9th Cir.2003) (denial of transfer); *Little v. Windermere Relocation, Inc.*, 301 F.3d 958, 970 (9th Cir.2002) (cut in monthly base salary); *Passantino v. Johnson & Johnson Consumer Products, Inc.*, 212 F.3d 493, 500–01, 506 (9th Cir.2000) (low rating on job performance review, decreased job responsibilities, and failure to receive promotions); *Hashimoto v. Dalton*, 118 F.3d 671, 674-75 (9th Cir.1997) (negative job reference), *cert. denied*, 523 U.S. 1122 (1998); *Miller v. Fairchild Ind., Inc.*, 885 F.2d 498, 503 (9th Cir.1989) (layoff), *cert. denied*, 494 U.S. 1056 (1990); *Yartsoff*, 809 F.2d at 1376 (transfer of job duties and "undeserved" performance ratings); *Ruggles*, 797 F.2d at 785 (failure to hire); *Crown Zellerbach Corp.*, 720 F.2d at 1012 (four-month disciplinary suspension).

Other conduct, however, may not constitute adverse employment action. *See, e.g., Lyons v. England*, 307 F.3d 1092, 1118 (9th Cir.2002) (“mediocre” performance evaluation not made available to other potential employers and unaccompanied by any meaningful change in work assignments); *Brooks v. City of San Mateo*, 229 F.3d 917, 929 (9th Cir.2000) (ostracism by co-workers); *McAlindin v. County of San Diego*, 192 F.3d 1226, 1238–39 (9th Cir.1999) (refusing to hold a job open), *amended by* 201 F.3d 1211, *cert. denied*, 530 U.S. 1243 (2000); *Nunez v. City of Los Angeles*, 147 F.3d 867, 875 (9th Cir.1998) (“badmouthing” employee); *Nidds v. Schindler Elevator Corp.*, 113 F.3d 912, 919 (9th Cir.1996) (transfer where salary unaffected).

Approved 8/2004

12.4A.2 “ADVERSE EMPLOYMENT ACTION” IN DISPARATE TREATMENT CASES

An action is an adverse employment action if it materially affects the terms, conditions, or privileges of employment.

Comment

See Comments at 12.4 and 12.4A and Comment to Instruction 12.4A.1.

The definition of “adverse employment action” for purposes of a disparate treatment claim comes from *Chuang v. Univ. of Cal. Davis, Bd. of Trustees*, 225 F.3d 1115, 1126 (9th Cir.2000) (finding that “[t]he removal of or substantial interference with work facilities important to the performance of the job constitutes a material change in the terms and conditions of a person’s employment” and therefore qualifies as an adverse employment action, but that the employer’s failure to respond to grievances did not amount to an adverse employment action because “it did not materially affect the compensation, terms, conditions, or privileges of the [plaintiffs’] employment”); *see also Kang v. U. Lim America, Inc.*, 296 F.3d 810, 818-19 (9th Cir.2002) (plaintiff established a prima facie case of disparate treatment where the defendant subjected the plaintiff “to a number of adverse employment conditions, including severe verbal and physical abuse, discriminatory overtime, and termination, that constituted ‘a material change in the terms and conditions’ of [the plaintiff’s] employment”).

An “adverse employment action” is not necessarily the same as a “tangible employment action.” Although many tangible employment actions may also be adverse employment actions, a tangible employment action need not be adverse, such as the situation where a supervisor coerces an employee to engage in sexual acts by threats of discharge. In such a case, an employee need not actually suffer discharge or other adverse employment action in order to demonstrate a tangible employment action. *See Holly D. v. Cal. Inst. of Tech.*, 339 F.3d 1158, 1169 (9th Cir.2003) (“[D]etermining not to fire an employee who has been threatened with discharge constitutes a ‘tangible employment action,’ at least where the reason for the change in the employment decision is that the employee has submitted to coercive sexual demands.”). For the definition of tangible employment action, see 12.4B and accompanying comment.

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12.4B TANGIBLE EMPLOYMENT ACTION DEFINED

Tangible employment actions are the means by which a supervisor brings the official power of the enterprise to bear on subordinates. A tangible employment action requires an official act of the enterprise, a company act. A tangible employment action consists of a significant change in employment status such as [firing] [failing to promote] [reassignment] [a significant change in responsibilities] [undesirable reassignment] or [a significant change in benefits]. [A tangible employment action occurs when a superior obtains sexual favors from an employee by conditioning continued employment on participation in unwelcome acts.]

Comment

This instruction should be given in conjunction with Instruction 12.2B (Hostile Work Environment Caused by Supervisor—Claim Based Upon Vicarious Liability—Tangible Employment Action—Affirmative Defense).

The meaning of the term “tangible employment action” is discussed in *Pennsylvania State Police v. Suders*, 124 S. Ct. 2342 (2004). The Supreme Court granted certiorari in *Suders* in order to resolve a split in the circuits as to whether a constructive discharge brought about by supervisor harassment constitutes a tangible employment action and bars the affirmative defense set out in *Burlington Industries, Inc. v. Ellerth*, 524 U.S. 742 (1998) and *Faragher v. Boca Raton*, 524 U.S. 775 (1998). *Id.* at 2350.

The *Suders* Court rejected the Third Circuit's holding that “a constructive discharge, when proved, constitutes a tangible employment action.” *Id.* (quoting *Suders v. Easton*, 325 F.3d 432, 447 (3d Cir.2003)). The Court concluded that a constructive discharge, in itself, does not constitute a tangible employment action that bars the *Ellerth/Faragher* affirmative defense. That defense “is available to the employer whose supervisors are charged with harassment,” and is barred only if a “tangible employment action” carried out under a supervisor’s official authority was part of the conduct leading to the constructive discharge. *Id.* at 2351.

In the context of quid pro quo sexual harassment, the Ninth Circuit recently held that a “tangible employment action” occurs when a supervisor who abuses his supervisory authority succeeds in coercing an employee to engage in sexual acts by threats of discharge or other material job-related consequence, or fails in his efforts to coerce the employee but then actually discharges her on account of her refusal to submit to his demands. *Holly D. v. Cal. Inst. of Tech.*, 339 F.3d 1158, 1169 (9th Cir.2003). In such situations, the employer may be held vicariously liable for the direct supervisor’s unlawful conduct and may not take advantage of the *Ellerth/Faragher* affirmative defense. *Id.* However, an “unfulfilled, or inchoate, quid pro quo threat by a supervisor is not enough” to constitute a tangible employment action. *Id.* at 1170. Rather, the threat must culminate in the actual coercion of a sexual act or some other “form of sufficiently concrete employment action” on account of the employee’s refusal to submit. *See id.*

12.4C CONSTRUCTIVE DISCHARGE DEFINED

A constructive discharge occurs when the working conditions are so intolerable that a reasonable person in the plaintiff's position would feel compelled to resign.

Comment

This instruction is based on *Pennsylvania State Police v. Suders*, 124 S. Ct. 2342, 2351 (2004).

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12.5 DEFENSES

Comment

The following instructions address affirmative defenses and limitation of remedies.

Approved 8/2004

12.5A DEFENSE—BONA FIDE OCCUPATIONAL QUALIFICATION

The defendant contends that [[religion] [sex] [national origin]] is part of a bona fide occupational qualification. The defendant has the burden of proving both of the following elements by a preponderance of the evidence:

1. that the occupational qualification is reasonably necessary to the normal operation of the defendant's business or enterprise; and
2. [that the defendant had reasonable cause to believe that all [describe the class] would be unable to perform the job safely and efficiently] [or] [that it was impossible or highly impractical to consider the qualifications of each [describe the class] employee.]

If you find that the plaintiff has proved [his] [her] claim[s], your verdict should be for the plaintiff, unless you find that the defendant has proved this defense, in which event your verdict should be for the defendant.

Comment

See 42 U.S.C. § 2000e-2(e)(1) (“it shall not be an unlawful employment practice for an employer to hire and employ employees. . . on the basis of [their] religion, sex, or national origin in those certain instances where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of that particular business or enterprise . . .”). “We reiterate our holdings in [*Western Airlines, Inc., v. Criswell*, 472 U.S. 400 (1985)] and [*Dothard v. Rawlinson*, 433 U.S. 321 (1977)] that an employer must direct its concerns about a woman’s ability to perform her job safely and efficiently to those aspects of the woman’s job-related activities that fall within the ‘essence’ of the particular business.” *Int’l Union, UAW v. Johnson Controls, Inc.*, 499 U.S. 187, 206-07 (1991) (no “factual basis for believing that all or substantially all women would be unable to perform safely and efficiently the duties of the job involved”); see also *Criswell*, 472 U.S. at 413 (suggesting that bona fide occupational qualification relates to the “essence” or “central mission” of employer’s business) (citing *Usery v. Tamiami Trail Tours, Inc.*, 531 F.2d 224 (5th Cir.1976)); *Frank v. United Airlines, Inc.*, 216 F.3d 845, 855 (9th Cir.2000) (discrimination pursuant to bona fide occupational qualification must be “reasonably necessary” to the “normal operation” of the employer’s particular business, and must concern “job-related skills and aptitudes”).

“Under Title VII, the [bona fide occupational qualification] defense is not available at all where discrimination is based on race or color.” *Morton v. United Parcel Serv.*, 272 F.3d 1249, 1260 n.11 (9th Cir.2001).

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12.5B DEFENSE—BONA FIDE SENIORITY SYSTEM

The defendant contends that the treatment of the plaintiff was based upon a bona fide seniority system. The defendant has the burden of proving both of the following elements by a preponderance of the evidence:

1. the seniority system had legitimate goals and was not designed to discriminate on the basis of [[race] [color] [religion] [sex] [national origin]]; and
2. the seniority system used the employee's length of service as the primary consideration in selecting the employees who would not be [describe the alleged discriminatory action].

If you find that the plaintiff has proved [his] [her] claim[s], your verdict should be for the plaintiff, unless you find that the defendant has proved this defense, in which event your verdict should be for the defendant.

Comment

42 U.S.C. § 2000e-2(h) provides, in relevant part:

[I]t shall not be an unlawful employment practice for an employer to apply different standards of compensation, or different terms, conditions, or privileges of employment pursuant to a bona fide seniority or merit system . . . provided that such differences are not the result of an intention to discriminate because of race, color, religion, sex, or national origin

Bona fide seniority systems are valid under Title VII pursuant to 42 U.S.C. § 2000e-2(h), even though such systems may perpetuate pre-Act discrimination. *See Int'l. Bhd. of Teamsters v. United States*, 431 U.S. 324, 348-55 (1977). Seniority systems do not violate Title VII even if they have a disproportionate effect on a protected group, so long as they are not intentionally discriminatory. *See Pullman-Standard v. Swint*, 456 U.S. 273, 289 (1982); *Balint v. Carson City*, 180 F.3d 1047, 1051 (9th Cir.1999) (under Title VII, "seniority systems are a valid method of providing different levels of compensation and privileges, even if they have a discriminatory impact on employees"). A seniority system is not illegal provided it is not the result of an intent to discriminate on prohibited grounds; the issue of intent is a necessary element of a Title VII action challenging the seniority system and is not merely an affirmative defense to such a challenge. *See Lorange v. AT & T Technologies, Inc.*, 490 U.S. 900, 905 (1989); *Eckles v. Consolidated Rail Corp.*, 94 F.3d 1041, 1046 n.7 (9th Cir.1996) ("A 'bona fide' seniority system is one that was created for legitimate purposes, rather than for the purpose of discrimination."). Seniority systems necessarily "contain ancillary rules that accomplish certain necessary functions, but which may not themselves be directly related to length of employment" *California Brewers Ass'n v. Bryant*, 444 U.S. 598, 604, 607 (1980) (reversing circuit determination that "fundamental component" of seniority system is "the concept that employment rights should increase as the length of an employee's service increases.").

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12.5C DEFENSE—AFTER-ACQUIRED EVIDENCE

The defendant contends that the defendant would have made the same decision to [[discharge] [not hire] [not promote] [demote]] the plaintiff because [describe the after-discovered misconduct]. If the defendant proves by a preponderance of the evidence that the defendant could have made the same decision and [[would have discharged] [would not have hired] [would not have promoted] [would have demoted]] the plaintiff because of [describe the after-acquired evidence], you should limit any award of back pay to the date the employer would have made the decision to [[discharge] [not hire] [not promote] [demote]] the plaintiff as a result of [describe the after-acquired evidence].

Comment

If an employer takes an adverse employment action such as discharging an employee for a discriminatory reason, later-discovered evidence that the employer could have used to discharge the employee for a legitimate reason does not immunize the employer from liability, but the employer does not have to offer reinstatement or front pay and only has to provide back pay “from the date of the unlawful discharge to the date the new information was discovered.” *McKennon v. Nashville Banner Pub. Co.*, 513 U.S. 352, 362 (1995); *see also Rivera v. Nibco, Inc.*, 364 F.3d 1057, 1071 n.16 (9th Cir.2004); *O’Day v. McDonnell Douglas Helicopter Co.*, 79 F.3d 756, 761-62 (9th Cir.1996). The employer must prove by a preponderance of the evidence that it would have fired the employee because of the after-acquired evidence. *O’Day*, 79 F.3d at 761.

The defense of after-acquired evidence is similar to, but not the same as, an employer’s affirmative defense to a charge that a protected characteristic was a “motivating factor” in an adverse employment decision, as explained in Instruction 12.1C. In both situations, the “same decision” theory is more a limitation on remedies than an affirmative defense that defeats a claim of employment discrimination. In the case of the “same decision” theory in a mixed motive case discussed in Instruction 12.1C, information establishing a lawful basis for the employer’s decision is known to the employer at the time of the decision and limits a plaintiff’s remedies as set forth in the Comment to Instruction 12.1A. In the case of “after-acquired evidence,” the information establishing a lawful basis for the employer’s adverse employment decision is acquired after the adverse decision and limits remedies as set forth in the above instruction.

The Ninth Circuit has concluded that “back pay” under various federal statutes, including Title VII, generally includes tips, holiday pay, and overtime pay. *See Local Joint Executive Bd. of Culinary/Bartender Trust Fund v. Las Vegas Sands, Inc.*, 244 F.3d 1152, 1157 (9th Cir.2001).

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**13. SEX DISCRIMINATION—TITLE VII
[DELETED]**

CHAPTER 13 is superseded by revised CHAPTER 12 CIVIL RIGHTS—TITLE VII—EMPLOYMENT DISCRIMINATION; HARASSMENT; RETALIATION

Approved 8/2004

14. AGE DISCRIMINATION

Analysis

Instruction

Introductory Comment.

14.1 Age Discrimination—Disparate Treatment—Elements and Burden of Proof—Discharge.

14.2 Age Discrimination—Disparate Treatment—Elements and Burden of Proof—Failure or Refusal to Hire—No Affirmative Defense.

14.3 Age Discrimination—Disparate Treatment—Affirmative Defense—Bona Fide Occupational Qualifications.

14.4 Age Discrimination—Disparate Treatment—Affirmative Defense—Bona Fide Seniority System.

14.5 Age Discrimination—Disparate Treatment—Affirmative Defense—Bona Fide Employee Benefit Plan.

14.6 Age Discrimination—Disparate Impact—Elements and Burden of Proof—Discharge.

14.7 Age Discrimination—Disparate Impact—Defense—Business Necessity.

14.8 Age Discrimination—Damages—Compensatory—Reduction—Mitigation

14.9 Willful Age Discrimination—Damages.

INTRODUCTORY COMMENT

Pursuant to Section 703 of the Civil Rights Act, 42 U.S.C. § 2000e-2(m), in Title VII cases the plaintiff need only to show that the prohibited consideration was a "motivating factor" in the employment decision. While the Civil Rights Act of 1991 should guide ADEA cases, see H.R. Rep. No. 102-40 (II), 102nd Cong., 1st Sess. (1991) ("The Committee intends that these other laws modeled after Title VII [such as the ADEA] be interpreted consistently in a manner consistent with Title VII as amended by the Act."), courts have held that § 2000e-2(m) (liability provision) and § 2000e-5(g)(2)(B) (enforcement provision), which overruled in part *Price Waterhouse v. Hopkins*, 490 U.S. 228 (1989), do not apply to ADEA cases. See *Lewis v. Young Men's Christian Ass'n*, 208 F.3d 1303, 1305 (11th Cir.2000); *Watson v. Southeastern Pennsylvania Transportation Authority*, 207 F.3d 207, 215 (3d Cir.2000); *McNutt v. Board of Trustees*, 141 F.3d 706, 709 (7th Cir.1998) (limiting section to listed types of cases specified in § 2000e-2(m)). The Ninth Circuit has not decided the issue. Under the rationale of *Lewis*, *Watson*, and *McNutt*, the burden allocation of *Price Waterhouse* was not overruled as to, and thus still applies to, cases under the ADEA. If that is so, the court must first determine whether the case is a mixed-motives case or a pretext case. In a mixed-motives case, the committee recommends that the jury should be instructed that if it finds that age was a motivating factor, the defendant still prevails if the defendant proves that it would have made the same decision absent consideration of the plaintiff's age. See *O'Day v. McDonnell Douglas Helicopter Co.*, 79 F.3d 756, 759 (9th Cir.1996) (the defendant will prevail in a mixed motives case if it shows that it would have made the same employment decision absent consideration of the plaintiff's age). In a pretext case, the jury should be instructed that the plaintiff prevails only if the plaintiff proves that age was the determining factor, that is, that the defendant would not have made the same decision but for the plaintiff's age. See *Cassino v. Reichhold Chemicals, Inc.*, 817 F.2d 1338, 1343-44 (9th Cir.1987) (in a pretext case under the ADEA, the plaintiff must show that age was the determining factor, or the "but for" cause, of the termination).

14.1 AGE DISCRIMINATION—DISPARATE TREATMENT—ELEMENTS AND BURDEN OF PROOF—DISCHARGE

The plaintiff seeks damages against the defendant for discharge based on age discrimination in violation of federal law. The plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the plaintiff was discharged;
2. the plaintiff was 40 years of age or older at the time of discharge;
3. the plaintiff was performing the job satisfactorily;
4. the plaintiff was replaced by a substantially younger person with equal or inferior qualifications; and
5. [the plaintiff's age was a motivating factor in the defendant's decision to discharge the plaintiff; in other words, it is not necessary for the plaintiff to prove that age was the sole or exclusive reason for the defendant's decision.]

[the plaintiff's age was the determining factor in the defendant's decision to discharge the plaintiff; in other words, the defendant would not have made the same decision but for the plaintiff's age].

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

See the Introductory Comment to this chapter in determining whether to use the "motivating factor" or "determining factor" language.

See 29 U.S.C. § 621 *et seq.* (Age Discrimination in Employment Act (ADEA)).

Regarding the elements of a prima facie case under the ADEA, see *Cassino v. Reichhold Chemicals, Inc.*, 817 F.2d 1338 (9th Cir.1987) (elements of a prima facie case discussed; to have a violation of the ADEA, the plaintiff must prove that age made a difference in determining whether the plaintiff was discharged, i.e. "whether age was the determining factor"). *See also* *Arnett v. California Public Employees Retirement System*, 179 F.3d 690 (9th Cir.1999) ("but for" test applicable to a claim under the ADEA). However, in a "mixed motive" case involving disparate treatment, it is not clear whether a "but for" test or a "motivating factor" test is appropriate. See the Introductory Comment to this chapter.

In *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 147 (2000), the Court stated that "[i]n appropriate circumstances, the trier of fact can reasonably infer from the falsity of the explanation that the employer is dissembling to cover up a discriminatory purpose." That

inference, the Court reasoned, "is consistent with the general principle of evidence law that the factfinder is entitled to consider a party's dishonesty about a material fact as 'affirmative evidence of guilt.'" *Id.* at 147.

If the defendant offers a bona fide employee benefit plan defense (*see* Instruction 14.5 (Age Discrimination—Disparate Treatment—Affirmative Defense—Bona Fide Employee Benefit Plan)), then add the following element: "If you find that the treatment of the plaintiff was part of a bona fide employee benefit plan, the plaintiff must also prove that the provisions of the defendant's employee benefit plan were used to discriminate in a non-fringe benefit aspect of the employment relationship." *See American Ass'n of Retired Persons v. Farmers Group, Inc.*, 943 F.2d 996, 1000 (9th Cir.1991), *cert. denied*, 502 U.S. 1059 (1992).

The court should also consider whether a business judgment instruction may be required. In *Walker v. AT & T Technologies*, 995 F.2d 846 (8th Cir.1993), the Eighth Circuit, in an ADEA case, held it was reversible error not to give a business judgment instruction. *See also Doan v. Seagate Technology, Inc.*, 82 F.3d 974, 977–78 (10th Cir.1996); *Faulkner v. Super Valu Stores, Inc.*, 3 F.3d 1419, 1425–26 (10th Cir.1993). The Ninth Circuit has not ruled on this issue in a published opinion. For a proposed business judgment instruction see e.g. Kevin F. O'Malley, et al., *Federal Jury Practice and Instructions* § 171.75 (5th ed. 2001).

This instruction and Instruction 14.2 (Age Discrimination—Disparate Treatment—Elements and Burden of Proof—Failure or Refusal to Hire—No Affirmative Defense) refer to common examples of age discrimination. For other acts of age discrimination relating to compensation, terms, and conditions of employment, modify the instructions accordingly. *See* 29 U.S.C. § 623(a).

14.2 AGE DISCRIMINATION–DISPARATE TREATMENT– ELEMENTS AND BURDEN OF PROOF– REFUSAL TO HIRE

The plaintiff seeks damages against the defendant for [failure] [refusal] to hire based on age discrimination in violation of federal law. The plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the plaintiff was not hired;
2. the plaintiff was 40 years of age or older at the time of the [failure] [refusal] to hire; and
3. [the plaintiff's age was a motivating factor in the defendant's [failure] [refusal] to hire the plaintiff; in other words, it is not necessary for the plaintiff to prove that age was the sole or exclusive reason for the defendant's decision.]

[the plaintiff's age was the determining factor in the defendant's [failure] [refusal] to hire the plaintiff; in other words, the defendant would not have made the same decision but for the plaintiff's age].

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

See the Introductory Comment to this chapter in determining whether to use the "motivating factor" or "determining factor" language.

This instruction and Instruction 14.1 (Age Discrimination–Disparate Treatment–Elements and Burden of Proof–Discharge) refer to common examples of age discrimination. For other acts of age discrimination relating to compensation, terms, and conditions of employment, modify the instructions accordingly. 29 U.S.C. § 623(a).

In *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 147 (2000), the Court stated that "[i]n appropriate circumstances, the trier of fact can reasonably infer from the falsity of the explanation that the employer is dissembling to cover up a discriminatory purpose." That inference, the Court reasoned, "is consistent with the general principle of evidence law that the factfinder is entitled to consider a party's dishonesty about a material fact as 'affirmative evidence of guilt.'" *Id.* at 147.

14.3 AGE DISCRIMINATION—DISPARATE TREATMENT—AFFIRMATIVE DEFENSE—BONA FIDE OCCUPATIONAL QUALIFICATIONS

The defendant contends that age is a part of a bona fide occupational qualification. The defendant has the burden of proving both of the following elements by a preponderance of the evidence:

1. that the occupational qualification is reasonably necessary to the normal operation of the business; and
2. [that the defendant had reasonable cause to believe that all or substantially all persons over the age qualification would be unable to perform the job safely and efficiently] [or] [that it was impossible or highly impractical to consider the qualifications of each older employee.]

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff, unless you also find that the defendant has proved this affirmative defense, in which event your verdict should be for the defendant.

Comment

It is not unlawful for an employer to take action where "age is a bona fide occupational qualification reasonably necessary to the normal operation of the particular business." *See* 29 U.S.C. § 623(f)(1). *See also Trans World Airlines, Inc. v. Thurston*, 469 U.S. 111, 122 (1985) (age not a bona fide occupational qualification for the particular position of flight engineer under ADEA); *Criswell v. Western Airlines, Inc.*, 709 F.2d 544 (9th Cir.1983)(bona fide occupational qualification defense discussed in ADEA case).

See also Comment to Instruction 12.3 (Title VII—Disparate Treatment—Bona Fide Occupational Qualification).

14.4 AGE DISCRIMINATION—DISPARATE TREATMENT—AFFIRMATIVE DEFENSE—BONA FIDE SENIORITY SYSTEM

The defendant contends that the treatment of the plaintiff was based upon a bona fide seniority system. The defendant has the burden of proving both of the following elements by a preponderance of the evidence:

1. the seniority system had legitimate goals and was not designed to discriminate on the basis of age; and
2. it used the employee's length of service as the primary consideration in selecting the employees who will not be [*describe the alleged discriminatory act*][and defendant's actions were consistent with the seniority system.]

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff, unless you also find that the defendant has proved this affirmative defense, in which event your verdict should be for the defendant.

Comment

See 29 U.S.C. § 623(f)(2)(A). *EEOC v. Orange County*, 837 F.2d 420 (9th Cir.1988) (elements of seniority system defense discussed.)

Regarding the bona fide seniority defense to an ADEA claim, see *Hazen Paper Co. v. Biggins*, 507 U.S. 604, 616 (1993) (bona fide seniority defense recognized in ADEA claim); *Trans World Airlines, Inc. v. Thurston*, 469 U.S. 111 (1985) (ADEA provides that a seniority system may not "require or permit" the involuntary retirement of a protected individual because of his age). *See also EEOC v. Orange County*, 837 F.2d 420 (9th Cir.1988).

14.5 AGE DISCRIMINATION—DISPARATE TREATMENT—AFFIRMATIVE DEFENSE—BONA FIDE EMPLOYEE BENEFIT PLAN

The defendant contends that the treatment of the plaintiff was part of a bona fide employee benefit plan. The defendant has the burden of proving both of the following elements by a preponderance of the evidence:

1. the employee benefit plan was bona fide, that is, it existed and provided for and paid benefits to employees; and
2. the defendant followed the terms of the employee benefit plan.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff, unless you also find that the defendant has proved this affirmative defense, in which event your verdict should be for the defendant.

Comment

29 U.S.C. § 623(f)(2)(B) lists retirement insurance and pension plans as examples of covered plans. Simple fringe benefit plans such as severance pay policies, lay-off benefits, and accrued sick leave payments may not qualify for this exemption. *See also Robinson v. County of Fresno*, 882 F.2d 444, 446, (9th Cir.1989) (employee has the burden of proving that the benefit plan "actually was intended to serve the purpose of discriminating in some nonfringe-benefit aspect of the employment relation") (quoting *Public Employees Retirement Sys. v. Betts*, 492 U.S. 158, 181 (1989)).

See Comment to Instruction 14.1 (Age Discrimination—Disparate Treatment—Elements and Burden of Proof—Discharge).

For a description of defendant's burden of proof regarding a bona fide employee benefit plan defense, see *Kalvinskas v. California Institute of Technology*, 96 F.3d 1305, 1308–10 (9th Cir.1996).

14.6 AGE DISCRIMINATION—DISPARATE IMPACT—ELEMENTS AND BURDEN OF PROOF—DISCHARGE

The plaintiff seeks damages for discharge based on age discrimination in violation of federal law. The plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the plaintiff was discharged;
2. the plaintiff was 40 years of age or older at the time of the discharge;
3. the defendant had a specific [employment practice] [selection criterion] which caused the plaintiff to be excluded from a job because of the plaintiff's age; and
4. the defendant's [employment practice] [selection criterion] had a significantly adverse or disproportionate impact on persons 40 years of age or older.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

Regarding the prima facie elements of a disparate impact claim, see *Arnett v. California Public Employees Retirement System*, 179 F.3d 690, 697 (9th Cir.1999) (citing *Pfaff v. United States Dept. of Hous. & Urban Dev.*, 88 F.3d 739, 745 (9th Cir.1996) and *Palmer v. United States*, 794 F.2d 534 (9th Cir.1986)).

Regarding a business necessity defense, see Comment to Instruction 14.7 (Age Discrimination—Disparate Impact—Affirmative Defense—Business Necessity).

14.7 AGE DISCRIMINATION—DISPARATE IMPACT—DEFENSE— BUSINESS NECESSITY

The defendant contends that its [employment practice] [selection criterion] was based on legitimate business reasons. The defendant has the burden of proving both of the following elements by a preponderance of the evidence:

1. the [employment practice] [selection criterion] is job related for the position in question; and
2. the [employment practice] [selection criterion] is consistent with business necessity.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff, unless you also find that the defendant has proved this affirmative defense, in which event your verdict should be for the defendant.

Comment

42 U.S.C. § 2000e-2(k)(1)(A)(i). *See* Comment to Instruction 14.6 (Age Discrimination—Disparate Impact—Elements and Burden of Proof—Discharge).

A business necessity defense may not be used as a defense against a claim of intentional discrimination. 42 U.S.C. § 2000e-2(k)(2).

14.8 AGE DISCRIMINATION—DAMAGES COMPENSATORY—REDUCTION—MITIGATION

If you find for the plaintiff [on plaintiff's _____ claim], you must determine the plaintiff's damages. The plaintiff has the burden of proving damages by a preponderance of the evidence. Damages means the amount of money which will reasonably and fairly compensate the plaintiff for any loss of [pay] [wages] [benefits] you find was caused by the discriminatory act of the defendant. You should consider the following:

[Back pay includes [back wages] [lost pay] [and employee benefits] the plaintiff would have received from the date the defendant discharged plaintiff to the [date of trial] [date plaintiff declines] [accepts] reinstatement]].

[You must deduct any wages or other earnings plaintiff received from other employment from the date the defendant discharged plaintiff to the [date of trial] [date the plaintiff declines] [accepts] reinstatement]].

[You must deduct any severance pay [and pension benefits] received after the discharge.]

[If the defendant proves by a preponderance of the evidence that plaintiff unjustifiably failed to take a new job of like kind, status, and pay which was available to plaintiff, or failed to make reasonable efforts to find a new job, you should subtract from these damages any amount plaintiff could have earned in a new job after the discharge.] [The plaintiff's damages also include front pay, that is, the loss of future [wages] [pay] [and employee benefits] from the defendant.]

[You must deduct from any front pay any wages or other earnings [and employee benefits] plaintiff would receive after the date of trial using reasonable mitigation efforts.]

Comment

See Instruction 7.1 (Damages—Proof). The measure and type of damages should be drafted to fit the facts and law in each particular case.

See also Instructions 7.2 (Measures of Types of Damages), 7.3 (Damages—Mitigation), 7.4 (Damages Arising in the Future—Discount to Present Cash Value), and 14.9 (Willful Age Discrimination—Damages).

An award of front pay is appropriate if the court first determines that reinstatement is not feasible. *Cassino v. Reichhold Chems.*, 817 F.2d 1338, 1346 (9th Cir.1987), *cert. denied*, 484 U.S. 1047 (1988).

There is a significant question whether back pay and front pay are questions for the jury or the court.

14.9 WILLFUL AGE DISCRIMINATION—DAMAGES

If you find the plaintiff is entitled to recover compensatory damages, you must determine if the defendant's conduct was willful. The plaintiff has the burden of proving willfulness by a preponderance of the evidence.

A defendant's conduct is willful if the defendant knew or showed reckless disregard for whether the [*describe the alleged discriminatory act*] was prohibited by the law.

[If you find that the defendant willfully violated the law, the plaintiff is entitled to double damages. This means that the court would award the damages you have calculated plus an equal amount as liquidated damages.]

Comment

29 U.S.C. § 626(b) incorporates the liquidated damages provision of the Fair Labor Standards Act, 29 U.S.C. § 216(b). The additional damages provided by the statute are mandatory if there is a finding of willfulness. The verdict form should provide a separate question as to willfulness.

An employer acts willfully when the employer " 'knew or showed reckless disregard' for whether the ADEA prohibited its conduct." *Cassino v. Reichhold Chems.*, 817 F.2d 1338, 1348 (9th Cir.1987) (citing *Trans World Airlines v. Thurston*, 469 U.S. 111, 128 (1985) and *Gilchrist v. Jim Slemons Imports*, 803 F.2d 1488, 1495 (9th Cir.1986)). See also *Hazen Paper Co. v. Biggins*, 507 U.S. 604, 615 (1993) (A unanimous Supreme Court noted court of appeals confusion about the meaning of the term "willful" and reaffirmed that "[t]he standard of willfulness that was adopted in *Thurston*—that the employer either knew or showed reckless disregard for the matter of whether its conduct was prohibited by the statute—" applies to all disparate treatment cases under the ADEA) (citing *McLaughlin v. Richland Shoe Co.*, 486 U.S. 128 (1988)).

15. AMERICANS WITH DISABILITIES ACT

Analysis

Instruction

Introductory Comment.

15.1 Preliminary Instruction—ADA Employment Actions.

15.2 Elements of ADA Employment Action.

15.3 Physical or Mental Impairment.

15.4 Work as a Major Life Activity.

15.4A Manual Task as Major Life Activity.

15.5 Corrected or Mitigated Disability.

15.6 Qualified Individual.

15.7 Ability to Perform Essential Functions—Factors.

15.8 Reasonable Accommodation.

15.9 Undue Hardship.

15.10 Discrimination—Retaliation.

15.11 Business Necessity as a Defense.

15.12 Defense—Direct Threat.

15.13 Damages.

INTRODUCTORY COMMENT

Americans with Disabilities Act (ADA) actions are brought under 42 U.S.C. § 12101 *et seq.* "The ADA has three separate titles: Title I covers employment discrimination, Title II covers discrimination by government entities, and Title III covers discrimination by places of public accommodation." *PGA Tour, Inc. v. Martin*, 531 U.S. 1049 (2001) (Justice Scalia, dissenting).

The elements of an employment action under the ADA are identical regardless of whether the defendant is a private entity (Title I) or public entity (Title II). Actions against public entities may also be brought under Sections 501 and 504 of the Rehabilitation Act of 1973, 29 U.S.C. §§ 791–797(b)(f) (1994 & Supp. I 1997). The same standards apply in all cases except where noted. *See, e.g.*, 28 C.F.R. § 35.140(b)(1); 29 U.S.C. § 791(g).

The first element of all actions under the ADA, except retaliation, is that the plaintiff must prove by a preponderance of the evidence that the plaintiff has a physical or mental impairment, has a record of such impairment, or is regarded as having such an impairment. Thus, except in retaliation cases, Instructions 15.2–4 and 15.6–7 should be given immediately after Instruction 15.1.

15.1 PRELIMINARY INSTRUCTION—ADA EMPLOYMENT ACTIONS

The claim made by the plaintiff is based on a federal law known as the Americans with Disabilities Act, which will be referred to in these instructions as the ADA.

Under the ADA, an employer may not deprive a qualified individual with a disability of an employment opportunity because of the disability, if the disability does not interfere with the essential functions of the position. An employer who violates this statute may be liable for monetary damages.

The plaintiff, [*name of plaintiff*], seeks damages against the defendant, [*name of defendant*], for intentional unlawful discrimination under the ADA. The defendant denies the plaintiff's claim.

15.2 ELEMENTS OF ADA EMPLOYMENT ACTION

To establish a claim of disability discrimination under the ADA, the plaintiff must prove the following elements by a preponderance of the evidence:

1. the plaintiff has a disability within the meaning of the ADA;
2. the plaintiff was a qualified individual; and
3. [the plaintiff's disability was a motivating factor in the decision [to fire] [not to hire] [not to promote] [to demote] [*state other action*] the plaintiff. It is not necessary for the plaintiff to prove that the plaintiff's disability was the sole or exclusive reason for the defendant's decision.]

[the plaintiff's disability was the determining factor in the defendant's decision [to fire] [not to hire] [not to promote] [to demote] [*state other action*] the plaintiff. In other words, the defendant would not have made the same decision but for the plaintiff's disability.]

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

The ADA places on the plaintiff the burden of showing that the plaintiff is qualified. The plaintiff must show the ability to perform the essential functions of the job with or without a reasonable accommodation. 42 U.S.C. § 12112(b)(5)(A), 12111(8). *See also Cooper v. Neiman Marcus Group*, 125 F.3d 786, 790 (9th Cir.1997) (stating elements); *Kennedy v. Applause, Inc.*, 90 F.3d 1477, 1481 (9th Cir.1996) .

An employee who commits an act of misconduct may be fired, regardless of whether he or she is disabled with the meaning of the ADA. *Newland v. Dalton*, 81 F.3d 904, 906 (9th Cir.1996) (holding that, while alcoholism is a "disability" under the ADA, employee's arrest for criminal assault while intoxicated was a nondiscriminatory reason for termination).

The Ninth Circuit has not directly addressed the question of whether a plaintiff claiming disability discrimination under the ADA must prove only that discrimination was a "motivating factor" for an adverse employment action, or whether the plaintiff must further prove that discrimination was the "but for," or sole, cause of that action. In *Price Waterhouse v. Hopkins*, 490 U.S. 228 (1989), a plurality of the Court held that the "motivating factor" test applied in Title VII cases, but other justices interpreted Title VII to require the plaintiff to prove that discrimination was the "but for" cause of an employment action. The Civil Rights Act of 1991 adopted the plurality's reasoning in providing that "an unlawful employment practice is established when the complaining party demonstrates that race, color, religion, sex, or national origin was a *motivating factor* for any employment practice, *even though other factors motivated the practice*." 42 U.S.C. § 2000e-2(m)(emphasis added). However, it remains unsettled whether the "motivating factor" test now in use for Title VII claims applies in the ADA context.

The committee recommends using the "motivating factor" test. The instruction relies on the plurality opinion in *Price Waterhouse*, 490 U.S. at 241 ("since we know that the words 'because of' do not mean 'solely because of,' we also know that Title VII meant to condemn even those decisions based on a mixture of legitimate and illegitimate considerations,") and on *McNely v. Ocala Star-Banner Corp.*, 99 F.3d 1068, 1073–77 (11th Cir.1996) (evaluating the purpose, statutory language, and legislative history of the ADA, the *Price Waterhouse* decision, and ADA decisions from other circuits, concluding that the ADA does *not* require a plaintiff to prove that an adverse employment action was taken "solely because of" disability discrimination). *See also Baird v. Rose*, 192 F.3d 462, 469 (4th Cir.1999). *But see Sandison v. Michigan High School Athletic Ass'n*, 64 F.3d 1026, 1036 (6th Cir.1995) (plaintiff proceeding under Title II of the ADA must prove that the exclusion from program participation was "solely be reason of [disability].")

The Ninth Circuit has also not directly addressed the question of whether a remedy remains available to the plaintiff in a "mixed motives" ADA case when the defendant demonstrates that the same adverse employment action would have been taken even without consideration of disability. In a "mixed motives" case brought under Title VII, where the plaintiff proves that discrimination was a motivating factor but the defendant proves that the same action would have been taken in the absence of discrimination, the plaintiff is still entitled to declaratory and limited injunctive relief, and attorney's fees and costs. 42 U.S.C. § 2000e–5(g)(2)(B). The ADA explicitly relies on the enforcement tools and remedies described in 42 U.S.C. § 2000e–5. 42 U.S.C. § 12117(a). Therefore, a plaintiff in a mixed motives case brought under the ADA may be entitled to declaratory and limited injunctive relief, and attorney's fees and costs, even where the defendant proves that the adverse employment action would have been taken without disability as a motivating factor. 42 U.S.C. § 2000e–5(g)(2)(B).

See also the Introductory Comment to Chapter 12 of these instructions.

15.3 PHYSICAL OR MENTAL IMPAIRMENT

The first element of the ADA claim that the plaintiff must prove is that the plaintiff has a recognized disability under the ADA. A "disability" under the ADA is [*a physical or mental impairment*] [*a record of physical or mental impairment*] [*being regarded as having a physical or mental impairment*] that substantially limits one or more of the major life activities of such individual.

The terms disability and physical or mental impairment include (1) any physiological disorder, or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological, musculoskeletal, special sense organs, respiratory (including speech organs), cardiovascular, reproductive, digestive, genito-urinary, hemic and lymphatic, skin, and endocrine; or (2) any mental or psychological disorder such as mental retardation, organic brain syndrome, emotional or mental illnesses, and learning disabilities.

Major life activities are the normal activities of living which a non-disabled person can do with little or no difficulty, such as caring for oneself, performing manual tasks, walking, sleeping, seeing, hearing, speaking, breathing, learning, engaging in sexual relations, reproducing, interacting with others, and working.

A limitation is substantial if the disabled person is unable to perform the activity or is significantly restricted in doing so.

Factors to consider in deciding whether a major life activity is substantially limited include:

- (1) the nature and severity of the impairment;
- (2) the duration or expected duration of the impairment; and
- (3) the permanent or long-term impact of the impairment.

Comment

See 42 U.S.C. §§ 12102(2) (defining disability with respect to individuals); 29 C.F.R. §§ 1630.2(g), (h)(1), (2) (defining disability and mental and physical impairment). The Supreme Court has questioned the EEOC's authority to promulgate regulations further defining "disability." *See Sutton v. United Air Lines, Inc.*, 527 U.S. 471, 479 (1999).

See also *Albertsons, Inc. v. Kirkingburg*, 527 U.S. 555 (1999) (individuals with monocular vision must prove disability on a case by case basis by showing that it substantially limits a major life activity); *Sutton v. United Air Lines, Inc.*, 527 U.S. 471 (1999) (severely myopic global pilot applicants were not considered disabled under ADA).

Regarding major life activity, refer also to 15.4 (Work as a Major Life Activity).

See 29 C.F.R. §§ 1630.2(h), (j)(1)(i), (ii), (2) (1999) (defining "substantially limits"). *See also Sutton*, 527 U.S. 471 (severely myopic global pilot applicants were not considered disabled under ADA); *Bragdon v. Abbott*, 524 U.S. 624 (1998) (HIV infection is a disability under the ADA but assessment of its direct threat must be based on medical or objective evidence, not on a good faith belief).

Although the U.S. Supreme Court has questioned the EEOC's authority to promulgate regulations under §§12101-12102 of the ADA (*see Sutton*, 527 U.S. at 479-89), the EEOC defines a "major life activity" to be caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working. 29 C.F.R. §§ 1630.2(i) (1999). The Ninth Circuit recognizes sleeping, engaging in sexual relations, and interacting with others as major life activities. *McAlindin v. County of San Diego*, 192 F.3d 1226, 1234 (9th Cir. 1999). The regulations consider work a major life activity, though this activity must be carefully analyzed to determine whether plaintiff's ability to work is substantially limited (*see* Instruction 15.4 (Work as a Major Life Activity)). Reproduction is a major life activity. *Bragdon v. Abbott*, 524 U.S. 624 (1998).

When the major life activity is that of performing manual tasks, "an individual must have an impairment that prevents or severely restricts the individual from doing activities that are of central importance to most people's daily lives." *Toyota Motor Manufacturing, Kentucky, Inc. v. Williams*, ___ U.S. ___, 122 S.Ct. 681, 691 (2002). The inability to perform the tasks associated with a specific job is insufficient to prove a substantial limitation in the major life activity of performing manual tasks. *Id.* at 693.

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15.4 WORK AS A MAJOR LIFE ACTIVITY

When the major life activity under consideration is that of working, the plaintiff must prove, by a preponderance of the evidence, that the plaintiff was precluded from employment in a broad class of jobs. The inability to perform a single, particular job does not itself constitute a substantial limitation in the major life activity of working.

Other factors that you should consider when determining whether the plaintiff is substantially limited in the major life activity of working include:

- (1) the geographical area to which the plaintiff has reasonable access, and
- (2) the number and types of jobs utilizing similar training, knowledge, skills or abilities, within the geographical area, from which the plaintiff is also disqualified.

Comment

This instruction is based on 29 C.F.R. § 1630.2(j)(3)(ii)(A), (B) (1999). *See also Holihan v. Lucky Stores, Inc.*, 87 F.3d 362, 366 (9th Cir.1996) (where plaintiff did not distinguish between a store manager class of employment and his activities in real estate and sign-making, he was not substantially limited as to the major life activity of working).

There is a controversy regarding the recognition of work as a major life activity. This is largely due to what the Supreme Court sees as a vicious circle:

Because the parties accept that the term "major life activities" includes working, we do not determine the validity of the cited regulations. We note, however, that there may be some conceptual difficulty in defining "major life activities" to include work, for it seems "to argue in a circle to say that if one is excluded, for instance, by reason of [an impairment, from working with others] ... then that exclusion constitutes an impairment, when the question you're asking is, whether the exclusion itself is by reason of handicap." Tr. of Oral Arg. in *School Bd. of Nassau Co. v. Arline*, O.T.1986, No. 85-1277, p. 15 (argument of Solicitor General). Indeed, even the EEOC has expressed reluctance to define "major life activities" to include working and has suggested that working be viewed as a residual life activity, considered, as a last resort, *only* "[i]f an individual is not substantially limited with respect to *any other* major life activity." 29 C.F.R. pt. 1630, App. § 1630.2(j) (1998) (emphasis added) ("If an individual is substantially limited in *any other* major life activity, no determination should be made as to whether the individual is substantially limited in working" (emphasis added)).

Sutton v. United Air Lines, Inc., 527 U.S. 471, 492 (1999).

15.4A MANUAL TASK AS MAJOR LIFE ACTIVITY

When the major life activity under consideration is the ability to perform manual tasks, the impairment of that ability must, either permanently or over a lengthy period, prevent or substantially restrict the plaintiff from doing activities that are of central importance to most people's daily lives either as independent tasks or when viewed together.

Comment

The Supreme Court has established that a claim arising from limitations on performing manual tasks requires that the plaintiff be unable to perform activities that are central to most people's lives. Toyota Motor Manufacturing, Kentucky, Inc v. Williams, 534 U.S. 184 (2002); *and see* Thornton v. McClatchy Newspapers, 292 F.3d 1045 (9th Cir. 2002) (continuous keyboarding not activity central to most people's daily lives).

Rev. 2/2003

15.5 CORRECTED OR MITIGATED DISABILITY

To qualify as disabled under the ADA, the plaintiff must have an impairment that, when viewed in its corrected or mitigated state, substantially limits a major life activity. Methods used to correct or mitigate disabilities are not limited to artificial aids, like medications and devices.

Comment

This instruction arises from the trilogy of cases recently decided by the U.S. Supreme Court. *Sutton v. United Air Lines, Inc.*, 527 U.S. 471 (1999) (severe myopia corrected by corrective lenses was not a disability because plaintiff did not show substantial limitation on major life activity); *Murphy v. United Parcel Service, Inc.*, 527 U.S. 516 (1999) (hypertension successfully treated with medication not a disability because no substantial limitation on major life activity); *Albertson's, Inc. v. Kirkingburg*, 527 U.S. 555 (1999) (monocular vision subconsciously compensated for was not a disability because plaintiff showed no substantial limitation on major life activity).

15.6 QUALIFIED INDIVIDUAL

The second element of the ADA claim that the plaintiff must prove is that the plaintiff is a qualified individual under the ADA.

The term qualified individual means an individual with a disability who, with or without a reasonable accommodation, can perform the essential functions of the employment position that such individual holds or desires. The individual must satisfy the requisite skill, experience, education, and other job-related requirements of the employment position.

Comment

See 42 U.S.C. § 12111 (employment-related definitions); 29 C.F.R. § 1630.2(m) (qualified individual). "Disability" is defined in Instruction 15.3 (Physical or Mental Impairment).

A disabled employee or applicant engaged in the use of illegal drugs at the time of the discriminatory incident shall not be considered a "qualified individual." 42 U.S.C. § 12114(a).

"Holds or desires" has been interpreted by the Ninth Circuit to apply in situations where a plaintiff requests reassignment "even if they cannot perform the essential functions of the current position." *Barnett v. U. S. Air, Inc.*, 228 F.3d 1105, 1111 (9th Cir.2000), *cert. granted in part*, ___ U.S. ___, 121 S.Ct. 1600 (2001). A disabled individual who can no longer perform the essential functions of her position may be entitled to relief if reassignment is found to be a "reasonable accommodation." *Id.* at 1111.

See also Willis v. Pacific Maritime Ass'n, 236 F.3d 1160 (9th Cir.), *amended by* 244 F.3d 675, 679 (9th Cir.2001) (employee's proposed accommodation was per se unreasonable because it directly conflicted with bona fide security system established under collective bargaining agreement).

15.7 ABILITY TO PERFORM ESSENTIAL FUNCTIONS—FACTORS

If you find that the plaintiff was qualified for the employment position, you must determine, by a preponderance of the evidence, whether the plaintiff was able to perform all of the essential functions of the employment position with or without a reasonable accommodation.

An essential function of an employment position means the fundamental job duties of the employment position the plaintiff holds or desires. It does not include the marginal functions that may occur through the course of a job.

You must consider the employer's judgment as to what functions of a job are essential. If any employer has prepared a written description before advertising or interviewing applicants for the job, this description is evidence of the essential functions of the job.

Other factors that may bear upon whether a job function is essential include, but are not limited to:

- (1) [whether the reason the position exists is to perform that function][;]
- (2) [whether there are a limited number of employees available among whom the performance of that job function can be distributed][;]
- (3) [whether the job function is highly specialized, and the person in that particular position is hired for [his] [her] expertise or ability to perform the particular function][;]
- (4) [the amount of time spent performing the job function][;]
- (5) [the consequences of not requiring the individual holding the position to perform the function][;]
- (6) [the terms of any collective bargaining agreement][;]
- (7) [the work experience of past employees who have held the position][;][and]
- (8) [the work experience of current employees that hold similar positions].

Comment

The third paragraph is based upon 42 U.S.C. § 12111(8). The factors in the fourth paragraph are set forth in 29 C.F.R. § 1630.2(n) (1999).

"Holds or desires" has been interpreted by the Ninth Circuit to refer to situations where a plaintiff requests reassignment "even if they cannot perform the essential functions of the current position." *Barnett v. U. S. Air, Inc.*, 228 F.3d 1105, 1111 (9th Cir.2000), *cert. granted in part*, ___ U.S. ___, 121 S.Ct. 1600 (2001). A disabled individual who can no longer perform the essential functions of her position may be entitled to relief if reassignment is found to be a "reasonable accommodation."

15.8 REASONABLE ACCOMMODATION

If you find the plaintiff qualified for the position but able to [apply or qualify for] [perform] the job only with some form of accommodation, then you must determine whether the defendant had a duty to provide a reasonable accommodation.

To establish the defendant's duty to provide a reasonable accommodation, plaintiff must prove, by a preponderance of the evidence, both of the following elements:

1. (a) the plaintiff informed the defendant of the need for an accommodation due to a disability , or

(b) the defendant knew, or had reason to know:
 - (i) that the plaintiff has a disability;
 - (ii) that the plaintiff was experiencing workplace problems because of the disability; and
 - (iii) that the disability prevented the plaintiff from requesting a reasonable accommodation.

and

2. the defendant could have made a reasonable accommodation that would have enabled the plaintiff to [*apply or qualify for*] [*perform the essential functions of*] the job.

Under the ADA, a reasonable accommodation by the defendant may include, but is not limited to:

- (1) [modifying or adjusting a job application process to enable a qualified applicant with a disability to be considered for the position][;]
- (2) [making existing facilities used by employees readily accessible to and usable by individuals with disabilities][;]
- (3) [job restructuring][;]
- (4) [part-time or modified work schedule][;]
- (5) [reassignment to a vacant position][;]
- (6) [acquisition or modifications of examinations, training materials or policies][;]

(7) [provision of qualified readers and interpreters][;] [or]

(8) [other similar accommodations for individuals with plaintiff's disabilities].

A reasonable accommodation does not include changing or eliminating any essential function of employment, shifting any of the essential functions of the subject employment to others, or creating a new position for the disabled employee.

If the plaintiff rejects a reasonable accommodation that is necessary to enable the plaintiff to perform the essential functions of the position, and plaintiff cannot, as a result of that rejection, perform the essential functions of the position, the plaintiff cannot be considered a qualified individual.

Comment

The factors listed in this instruction are derived from 42 U.S.C. § 12111(9) and 29 C.F.R. §§ 1630.2(o)(1)(i), (3), 1630.9(d). *See also Barnett v. U. S. Air, Inc.*, 228 F.3d 1105, 1112–14 (9th Cir.2000) (en banc) (holding that interactive process is a mandatory, not permissive, duty of the employer and that employer has duty to initiate interactive process in some circumstances), *cert. granted in part*, ___ U.S. ___, 121 S.Ct. 1600 (2001).

The list of possible reasonable accommodations should be tailored to the facts of the particular case.

See PGA Tour v. Martin, 531 U.S. 1049 (2001) (use of golf cart that is normally prohibited is a reasonable accommodation for professional disabled golfer in a golf tournament).

15.9 UNDUE HARDSHIP

A defendant is not required to provide an accommodation that will impose an undue hardship on the operation of the defendant's business.

The term undue hardship means an action requiring significant difficulty or expense. It takes into account the financial realities of the particular defendant and refers to any accommodation that would be unduly costly, extensive, substantial, or disruptive, or that would fundamentally alter the nature or operation of the business.

The factors to be considered in deciding whether an accommodation would cause undue hardship include:

- (1) [the nature and net cost of the accommodation, accounting for tax credits or deductions and other outside funding][;]
- (2) [the overall financial resources of the defendant's facility involved in the provision of the reasonable accommodation, the number of persons employed at such facility, the effect on expenses and resources, or the impact otherwise of such accommodation upon the operation of the facility][;]
- (3) [the overall financial resources of the defendant's facility, the overall size of the business of a defendant's facility with respect to the number of its employees, the number, type, and location of its facilities][;]
- (4) [the number of persons employed by defendant and the effect of accommodation][;]
- (5) [the type of operations the defendant is involved in and the composition, structure, and functions of the work force][;]
- (6) [the geographic separateness and administrative or fiscal relationship of the facility in question to the defendant][;] [and]
- (7) [the overall impact of the proposed accommodation on the operation of the defendant's facilities, including the impact on other employees and the ability to conduct business].

Comment

The factors in this instruction are derived from 42 U.S.C. § 12111(10) and 29 C.F.R. § 1630.2(p), App. 1630.2(p).

15.10 RETALIATION

It is unlawful for a person or entity to discriminate against any individual because that individual has opposed any act or practice that he or she reasonably believes to be unlawful under the ADA or because that individual made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under the ADA.

Disability is not an element of a retaliation action under the ADA.

For the plaintiff to establish retaliation in violation of the ADA, the plaintiff must prove the following elements by a preponderance of evidence:

1. the plaintiff engaged in conduct protected under the ADA;
2. the plaintiff was subjected to an adverse employment action at the time, or after, the protected conduct occurred; and
3. [the plaintiff's protected activity was a motivating factor in the adverse employment action. It is not necessary for the plaintiff to prove that the plaintiff's protected activity was the sole or exclusive reason for the defendant's decision.]

[the plaintiff's protected activity was the determining factor in the defendant's adverse employment action. In other words, the defendant would not have made the same decision but for the plaintiff's protected activity.]

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

See the Comment to Instruction 15.2 (Elements of ADA Employment Action) regarding use of a "motivating factor" test or a "but for" test.

29 C.F.R. § 1630.12(a) (1999) (explaining retaliation and coercions); 42 U.S.C. § 12203(a) (defining retaliation).

Because the statute applies to "any individual," the plaintiff need not prove disability within the meaning of the ADA to sustain a retaliation claim under the ADA.

The Ninth Circuit applies the Title VII framework for retaliation claims. *Barnett v. U. S. Air, Inc.*, 228 F.3d 1105, 1121 (9th Cir.2000) (en banc) (adopting test and stating elements), *cert. granted in part*, ___ U.S. ___, 121 S.Ct. 1600 (2001). Plaintiff's reasonable belief that the action opposed is unlawful is sufficient to allow a retaliation claim. *See Moyo v. Gomez*, 40 F.3d 982, 984 (9th Cir.1994) (Title VII claim).

15.11 DEFENSES—BUSINESS NECESSITY

Business necessity is a defense to a claim of discrimination under the ADA.

If you find that the defendant's application of standards, criteria, or policies have [the effect of screening out or otherwise denying a job or benefit to individuals with plaintiff's disability] [a disparate impact on individuals with plaintiff's disability], the defendant must prove, by a preponderance of the evidence, that the standard, criterion, or policy:

1. is uniformly applied;
2. is job-related;
3. is consistent with business necessity; and
4. cannot be met by a person with plaintiff's disability even with a reasonable accommodation.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff, unless you also find that the defendant has proved this affirmative defense, in which event your verdict should be for the defendant.

Comment

See 42 U.S.C. § 12113(a) (describing defenses and terms) and 29 C.F.R. § 1630.15(c) (1999) (describing the four elements a defendant must prove to overcome burden).

15.12 DEFENSES—DIRECT THREAT

It is a defense to the plaintiff's ADA claim if the plaintiff posed a direct threat to the health and safety of others. The defendant may require, as a qualification for the position, that an individual not pose a "direct threat" to the health or safety of others in the workplace. A health or safety risk can only be considered if it is a significant risk of substantial harm. Assessment of the existence of a direct threat must be based on valid and objective evidence and not speculation.

The defendant claiming the direct threat defense must prove by a preponderance of the evidence that the plaintiff posed a direct threat to the health or safety of others that could not be eliminated by a reasonable accommodation.

Factors that may be considered in determining whether an individual poses a direct threat to the health and safety of others are:

- (1) the nature and severity of the potential harm;
- (2) the duration of the potential harm;
- (3) the imminence of the potential harm; and
- (4) the probability of the harm occurring.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff, unless you also find that the defendant has proved this affirmative defense, in which event your verdict should be for the defendant.

Comment

See 42 U.S.C. §§ 12111(3) (defines direct threat), 12113(b) (provides that a qualification standard can include a condition that a person not pose a direct threat); *School Bd. of Nassau County v. Arline*, 480 U.S. 273 (1987) (claim under the Rehabilitation Act of 1973), provides the criteria for what is considered a direct threat.)

This defense does not apply to the direct threat to the disabled individual. See *Echazabal v. Chevron USA, Inc.*, 226 F.3d 1063, 1069 n. 8 (9th Cir.2000) (on facts presented, the EEOC guidelines regarding applicability of direct threat against the safety of the individual not controlling).

15.13 DAMAGES

Comment

See Chapter 7 for damage instructions. *See also* 42 U.S.C. § 12117(a) (applies the powers, remedies, and enforcement provisions of Title VII to any persons alleging employment discrimination on the basis of a disability).

42 U.S.C. § 1981a(2) (provides for the recovery of compensatory and punitive damages against a defendant who violates § 102(b)(5) of the ADA (42 U.S.C. § 12112(b)(5)) by failing to make a reasonable accommodation).

42 U.S.C. § 1981a(b)(3) (limits the amount of damages recoverable, based on the defendant's employee base).

42 U.S.C. § 1981a(c)(2) (requires that these limits not be disclosed to the jury. The limits do not apply to back pay or front pay, which is awarded under 42 U.S.C. § 2000e-5(g)(1), not 42 U.S.C. § 1981a). *See also Pollard v. E.I. du Pont de Nemours & Company*, ___ U.S. ___, 121 S.Ct. 1946 (2001).

There is a significant question whether back pay and front pay are questions for the jury or the court.

See generally the Comment to Instruction 15.2 (Elements of ADA Employment Action).

16. LABOR (INCLUDING FAIR REPRESENTATION)

Analysis

Instruction

16.1 LMRA § 301—Duty of Fair Representation—Elements and Burden of Proof—Hybrid Claim.

16.2 LMRA § 301—Duty of Fair Representation—Hybrid Claim—Damages.

16.1 LMRA § 301—DUTY OF FAIR REPRESENTATION—ELEMENTS AND BURDEN OF PROOF—HYBRID CLAIM

On the plaintiff's claim for breach of the duty of fair representation, the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the employer [*describe employer's conduct*] in violation of the collective bargaining agreement;
2. the union [*describe conduct*] the plaintiff's claim against the employer as required by the collective bargaining agreement; and
3. the union's conduct toward the employee was [arbitrary] [in bad faith] [discriminatory].

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

To support a breach of the duty of fair representation claim, the plaintiff must prove that the employer's action violated the terms of the collective bargaining agreement and that the union breached its duty to act honestly and in good faith and to avoid arbitrary conduct. *See Chauffeurs, Teamsters and Helpers, Local No. 391 v. Terry*, 494 U.S. 558, 563 (1990). *See also Hines v. Anchor Motor Freight*, 424 U.S. 554, 564 (1976) (union is always subject to complete good faith and honesty of purpose in the exercise of its discretion); *Vaca v. Sipes*, 386 U.S. 171, 177 (1967).

A union is not liable for merely negligent conduct. *See United Steelworkers of America v. Rawson*, 495 U.S. 362, 372–73 (1990); *Slevira v. Western Sugar Co.*, 200 F.3d 1218, 1221 (9th Cir.2000). Breach of the duty of fair representation occurs only when a union's conduct is arbitrary, discriminatory, or in bad faith. *See id.* For example, "[a] union breaches its [duty of fair representation] if it ignores a meritorious grievance or processes it in a perfunctory manner." *Conkle v. Jeong*, 73 F.3d 909, 916 (9th Cir.1995) (citing *Vaca*, 386 U.S. at 191).

A union's actions are arbitrary "only if, in light of the factual and legal landscape at the time of the union's actions, the union's behavior is so far outside a 'wide range of reasonableness' as to be 'irrational.'" *Air Line Pilots Ass'n v. O'Neill*, 499 U.S. 65, 67 (1991). *See also Conkle*, 73 F.3d at 915–16 (holding that a union's decision is arbitrary if it lacks a rational basis); *Johnson v. United States Postal Serv.*, 756 F.2d 1461, 1465 (9th Cir.1985) (holding that reckless disregard may constitute arbitrary conduct); *Tenorio v. NLRB*, 680 F.2d 598, 601 (9th Cir.1982) (defining arbitrary as the "egregious disregard for the right of union members").

To establish that the union acted in "bad faith," a plaintiff must provide "substantial evidence of fraud, deceitful action, or dishonest conduct," *Humphrey v. Moore*, 375 U.S. 335,

348 (1964), or evidence that the union was motivated by personal animus toward the plaintiff. *See Conkle*, 73 F.3d at 916 (including personal animus as basis for finding of bad faith).

Some Ninth Circuit decisions distinguish between union decisions involving an exercise of judgment and acts that are purely ministerial or procedural in nature. *Wellman v. Writers Guild of America, West, Inc.*, 146 F.3d 666, 670–71 (9th Cir.1998); *Marino v. Writers Guild of America, East, Inc.*, 992 F.2d 1480, 1486 (9th Cir.1993). These cases hold that a union may be found liable for ministerial or procedural acts where the union's conduct was arbitrary, discriminatory, or in bad faith, but may only be found liable for a decision involving discretionary judgment where it acted discriminatorily or in bad faith. *Id.* But see *United Steelworkers*, 495 U.S. at 372; *Vaca*, 386 U.S. at 190; *Conkle*, 73 F.3d at 916 (applying arbitrary standard to union decision involving exercise of judgment).

In those cases where the challenged conduct of the employer is the discharge of the employee without just cause, the court may use the following definition of "just cause": "Just cause means a cause based on a reasonable ground and exercised in good faith." *See Scott v. Anchor Motor Freight*, 496 F.2d 276, 281 (6th Cir.), *cert. denied*, 419 U.S. 868 (1974).

16.2 LMRA § 301—DUTY OF FAIR REPRESENTATION—HYBRID CLAIM—DAMAGES

If you find for the plaintiff on plaintiff's claim for breach of the duty of fair representation, you must determine the plaintiff's damages. The plaintiff has the burden of proving damages by a preponderance of the evidence. Damages means the amount of money that will reasonably and fairly compensate the plaintiff for any injury you find was caused by the defendants. You should consider the following:

[Here insert types of damages. See Instructions 7.1 (Damages—Proof) and 7.2 (Measures of Types of Damages)]

After you have determined the amount of damages, you must apportion them between the employer and the union. The employer is responsible only for damages that are caused by its breach of the collective bargaining agreement. The union is responsible only for any increase in damages that is caused by its breach of the duty of fair representation.

Comment

In *Bowen v. United States Postal Serv.*, 459 U.S. 212 (1983), the Supreme Court held that "damages attributable *solely* to the employer's breach of contract should not be charged to the union, but *increases* if any in those damages caused by the union's refusal to process the grievance should not be charged to the employer." 459 U.S. at 223–24 (quoting *Vaca v. Sipes*, 386 U.S. 171, 197–98 (1967)). *Bowen* does not indicate how exactly damages are to be apportioned between the employer and union. See Murray, Steven L., *Apportionment of Damages in Section 301 Duty of Fair Representation Actions: The Impact of Bowen v. United States Postal Service*, 32 Depaul L. Rev. 743, 767 (1983) (noting that the Supreme Court's decision in *Bowen* could be interpreted to support three different apportionment rules). For example, *Bowen* could be read to hold that the employer and union are liable on the basis of relative degrees of fault. See *id.* at 767. *Bowen* could also be interpreted to stand for the more concrete, bright line rule that employers are liable for damages suffered up until the hypothetical date upon which an arbitration award would have issued had the union processed the grievance, and the union is liable for all damages incurred thereafter. See *id.*

The district court in *Bowen* had instructed the jury that apportionment between the employer and union could be based on the hypothetical arbitration date at which the employer would have reinstated the plaintiff if the union had fulfilled its duty. See *Bowen*, 459 U.S. at 215. The district court suggested that the employer was liable for damages before that date and the union for damages thereafter. *Bowen* was explicit, however, in leaving undecided "whether the District Court's instructions on apportionment of damages were proper." *Id.* at 230 n.19.

Some courts have held that *Bowen* does not mandate the hypothetical date method. See *Aguinaga v. United Food & Com. Workers Int'l*, 993 F.2d 1463, 1475 (10th Cir.1993) ("We do not agree that *Bowen* requires that damages be apportioned based on chronology using the hypothetical arbitration date."). What is clear from *Bowen* and its progeny is that union liability is not limited to the litigation expenses and fees incurred by the employee-plaintiff as a result of the union's breach of the duty of fair representation. See *Bowen*, 459 U.S. at 220–25 (rejecting

the union's argument that its liability was limited to litigation expenses resulting from its breach of duty). Implicit (if not explicit) in *Bowen* is that a union may be held liable for a portion of the back pay owed to the employee. The Court held that if the plaintiff is unable to collect against the union, the employer "remains secondarily liable for the full loss of back pay." *Id.* at 223 n.12. Inherent in this statement is that a union may be primarily liable for a percentage of the employee's back pay. Numerous courts addressing this issue after *Bowen* have held that a union may be liable for back pay when it breaches the duty of fair representation. *See, e.g., Aguinaga*, 993 F.2d at 1475 ("[I]n *Bowen*, the Supreme Court held that a union can be liable for back pay and benefits.").

Where a union affirmatively causes the employer to breach the collective bargaining agreement, or where the union and employer actively participate in each other's breach, joint and several liability, as opposed to apportionment, may be appropriate. *See Aguinaga*, 993 F.2d at 1475; *Bennett v. Local Union No. 66*, 958 F.2d 1429, 1440–41 (7th Cir.1992).

See Comments to Instructions 3.8 (Causation) and 7.1 (Damages—Proof) regarding causation.

Attorneys' fees and awards for costs incurred in suing the union may be awarded as compensatory damages for a breach of the duty to represent. *Dutrisac v. Caterpillar Tractor Co.*, 749 F.2d 1270 (9th Cir.1983) (attorneys' fees are in fact compensatory damages for a breach of the duty to represent). When an employee proves both a breach of the duty of fair representation and a violation of the collective bargaining agreement, the union must pay attorneys' fees incurred by the employee in his suit against the employer and the union. *See, e.g., Zuniga v. United Can Co.*, 812 F.2d 443, 451–52, 455 (9th Cir.1987) (employee collected wrongfully-denied sick leave benefits from employer, and attorneys' fees from union).

17. ANTITRUST (15 U.S.C. § 1, *ET SEQ.*)

INTRODUCTORY COMMENT

These sources may be helpful:

AMERICAN BAR ASSOCIATION ANTITRUST SECTION, *SAMPLE JURY INSTRUCTIONS IN CIVIL ANTITRUST CASES* (A.B.A., Chicago, Ill., 1999). This source contains instructions for Sherman Act § 1 and § 2 and antitrust patent instructions. It includes instructions on certain defenses and exemptions with appendix of sample special verdict interrogatories.

KEVIN F. O'MALLEY ET AL., *FEDERAL JURY PRACTICE AND INSTRUCTIONS*, ch. 150 *Antitrust—Private Action* (5th ed. 2001).

FIFTH CIRCUIT DISTRICT JUDGES ASSOCIATION, *PATTERN JURY INSTRUCTIONS (Civil Cases)* (West Publishing Co., 1999), Instructions 6.1 and 6.2, pp. 65–71. Instruction 6.1 deals with Sherman Act § 1, price fixing, including alternative "Rule of Reason" instruction. Instruction 6.2 deals with tying agreements—defense of justification.
<http://www.lb5.uscourts.gov/juryinstructions/1999civi.htm>

ELEVENTH CIRCUIT DISTRICT JUDGES ASSOCIATION, *PATTERN JURY INSTRUCTIONS* (West Publishing Co., 2000), Federal Claims Instructions 3.1 and 3.2, pp. 186–205. Instruction 3.1 covers conspiracy to fix prices and includes an alternative "Rule of Reason" instruction. Instruction 3.2 covers tying agreements. <ftp://ftp.ca11.uscourts.gov/usca11/civjury.pdf>

4 SAND, LEONARD B, *MODERN FEDERAL JURY INSTRUCTIONS* (Matthew Bender, 2001), ch. 79, ¶¶ 79.01—79.08 (*Restraint of Trade*); ch. 80, ¶¶ 80.01—80.03 (*Monopolization*); ch. 81, ¶¶ 81.01—81.04 (*Patent Based Antitrust Claims*).

18. TRADEMARK

Analysis

Instruction

- 18.0 Preliminary Instruction—Trademark.
- 18.1 Definition of Mark—Generally.
- 18.2 Definition—Trade Dress—Generally.
- 18.3 Definition—Trade Name/Commercial Name—Generally.
- 18.4 Trademark Liability—Theories and Policies.
- 18.5 Infringement—Elements and Burden of Proof—Trademark or Trade Dress.
- 18.5A Infringement—Elements and Burden of Proof—Trade Dress—(15 U.S.C. 1125(a)(1))
- 18.6 Infringement—Elements—Presumed Validity and Ownership—Registered Marks.
- 18.7 Infringement—Elements—Validity—Unregistered Marks.
- 18.8 Infringement—Elements—Validity—Unregistered Marks—Distinctiveness.
- 18.9 Infringement—Elements—Validity—Distinctiveness—Secondary Meaning.
- 18.10 Infringement—Elements—Validity—Trade Dress—Non-Functionality Requirement.
- 18.11 Infringement—Elements—Ownership—Generally.
- 18.12 Trademark Ownership—Assignee.
- 18.13 Trademark Ownership—Licensee.
- 18.14 Trademark Ownership—Merchant or Distributor.
- 18.15 Infringement—Elements—Likelihood of Confusion—Factors—*Sleekcraft* Test.
- 18.16 Likelihood of Confusion—Factor—Strength or Weakness of Trademark.
- 18.17 Inducing Infringement—Elements and Burden of Proof.
- 18.18 Contributory Infringement—Elements and Burden of Proof.
- 18.19 Defenses — Abandonment — Affirmative Defense — Defendant's Burden of Proof.
- 18.20 Defenses—Continuous Prior Use Within Remote Geographic Area—Affirmative Defense.
- 18.21 Defenses—Fair Use.
- 18.22 Trademark Damages—Actual or Statutory Notice.
- 18.23 Trademark Damages—Plaintiff's Actual Damages.
- 18.24 Trademark Damages—Defendant's Profits.
- 18.25 Trademark Damages—Intentional Infringement.

Throughout these instructions, wherever the term "trademark" is used, when appropriate for the facts of the case, a more specific term, such as "service mark," "collective mark," or "certification mark" may be substituted.

Further Comments noted at the end of instruction are available at www.ce9.uscourts.gov.

18.0 PRELIMINARY INSTRUCTION—TRADEMARK

The plaintiff, [*name of plaintiff*], seeks damages against the defendant, [*name of defendant*], for [trademark infringement] [unfair competition]. The defendant denies [infringing the trademark] [unfairly competing] [and] [contends the trademark is invalid]. To help you understand the evidence that will be presented in this case, I will explain some of the legal terms you will hear during this trial.

DEFINITION OF A TRADEMARK

A trademark is a word, a name, a symbol, a device, or a combination of them that indicates the source of goods. The [owner] [assignee] [licensee] of a trademark has the right to exclude others from using that trademark.

[HOW A TRADEMARK IS OBTAINED]

[A person acquires the right to exclude others from using a trademark by being the first to use it in the marketplace. Rights in a trademark are obtained only through commercial use of the mark. The owner of a trademark has the right to exclude others unless the trademark has been abandoned.]

[TRADEMARK INTERESTS]

[The owner of a trademark may transfer, give, or sell to another person the owner's interest in the trademark. This type of [agreement] [gift] is called an assignment, and the person who receives the owner's interest is called an assignee. An assignee has the right to exclude others from using the trademark. To be enforceable, the assignment must be in writing and signed. It must also include the goodwill of the business connected with the trademark.]

[The owner of a trademark may also enter into an agreement that permits another person to use the trademark. This type of agreement is called a license, and the person permitted to use the trademark is called a licensee.]

A trademark [owner] [assignee] [licensee] may enforce the right to exclude others in an action for [infringement] [or] [*insert applicable form of unfair competition from 15 U.S.C. § 1125(a)*].

[TRADEMARK REGISTRATION]

[Once the owner of a mark has obtained the right to exclude others from using the trademark, the owner may obtain a certificate of registration issued by the United States Patent and Trademark Office. Thereafter, when the owner brings an action for infringement, the owner may rely solely on the registration certificate to prove that the owner has the right to exclude others from using the trademark in connection with the type of goods specified in the certificate.]

THE PLAINTIFF'S BURDEN OF PROOF

[In this case, the plaintiff, [name of plaintiff], contends that the defendant, [name of defendant], has infringed the plaintiff's trademark. The plaintiff has the burden of proving by a preponderance of the evidence that the plaintiff is the owner of a valid trademark and that the defendant infringed that trademark. Preponderance of the evidence means that you must be persuaded by the evidence that it is more probably true than not true that the defendant infringed the plaintiff's trademark].

[DEFENDANT'S BURDEN OF PROOF]

[The defendant contends that [the [registered] trademark is invalid] [,] [the trademark has been abandoned] [or] [insert other affirmative defense]. The defendant has the burden of proving by a preponderance of the evidence that [the [registered] trademark] is invalid] [,] [the trademark has been abandoned] [or] [insert other affirmative defense].

[Preponderance of the evidence means that you must be persuaded by the evidence that it is more probably true than not true that the [[registered] trademark is invalid] [or] [insert other affirmative defense].]

[_____ is a person as that term is used in these instructions.]

Comment

See generally 15 U.S.C. § 1051 *et seq.*

This instruction is tailored to fit a classic trademark infringement case. If the case involves trade dress, trade name, or other unfair competition claims, this instruction will require modification.

Throughout these instructions, wherever the term "trademark" is used, as is appropriate for the facts of the case, a more specific term, such as "service mark," or "collective mark" or "certification mark" may be substituted.

A corporation is a person. *See* Instruction 6.2 (Liability of Corporations—Scope of Authority Not In Issue).

Further Comments: *Actual & Intended Use Requirements; Basis for Infringement Allegations.*

18.1 DEFINITION—TRADEMARK—GENERALLY (15 U.S.C. § 1127)

A trademark is any word, name, symbol, device [, or any combination thereof,] used by a person to identify and distinguish that person's goods from those of others and to indicate the source of the goods [, even if that source is generally unknown].

[A person who uses the trademark of another may be liable for damages.]

Comment

A trademark is a limited property right in a particular word, phrase or symbol. *See New Kids on the Block v. New America Pub., Inc.*, 971 F.2d 302, 306 (9th Cir.1992).

A trademark identifies the source of goods. *See Brookfield Communications v. West Coast Entertainment*, 174 F.3d 1036, 1051 (9th Cir.1999). But it fails to serve its source-identifying function when the public has never seen it, for instance when registered for an Internet domain name. *Id.* Accordingly, it is not protected until it is used in public in a manner that creates an association among consumers between the mark and the mark's owner. *Id.*

The ability of a trademark to distinguish the source of the goods it marks, not the uniqueness of its color, shape, fragrance, word or sign, entitles it to protection. *See Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 164, 166 (1995). Accordingly, if it can sufficiently serve the basic purpose of source identification, "a color may sometimes meet the basic legal requirements for use as a trademark." *Id.*

See Instruction 18.2 (Trade Dress) and Instruction 18.3 (Trade Name).

Adjustment of Instruction for Other Types of Marks

This instruction is a model for any case involving a trademark as defined by the Lanham Act, 15 U.S.C. § 1127. Under the Lanham Act, the term "mark" is often used to define the various types of mark protected by the trademark law, such as trade and service marks, collective trade and service marks, and certification trade and service marks. *New Kids on the Block*, 971 F.2d at 306. Accordingly, if other types of marks are involved in the case, adjustments to this instruction should be made as follows:

A. Service Mark Cases: When a service mark is at issue, substitute the following for the first paragraph of this instruction and substitute the word "service mark" for "trademark" in the second paragraph:

A service mark is any word, name, symbol, device [, or any combination thereof,] used by a person to identify and distinguish such person's services from those of others and to indicate the source of the services [, even if that source is generally unknown]. [Titles, character names, and other distinctive features of radio or television programs may be registered as service marks as well].

"Generally speaking, a service mark is a distinctive mark used in connection with the sale or advertising of services...." *American Int'l Group v. American Int'l Bank*, 926 F.2d 829, 830 n. 1 (9th Cir.1991).

B. Collective Trademark Cases: When a collective trademark is at issue, in lieu of this instruction, insert the following:

A collective trademark is any [word] [name] [symbol] [device] [, or combination thereof,] used by [a cooperative] [an association] [, or other collective group or organization] to identify and distinguish its goods from those of others, and to indicate the source of the goods [, even if that source is generally unknown].

[A person who uses the collective trademark of a [cooperative] [an association] [, or another collective group or organization] may be liable for damages.].

For a description of a collective mark, see *Sebastian Int'l v. Longs Drug Stores*, 53 F.3d 1073, 1077–78 (9th Cir.1995) (Ferguson, J., concurring).

C. Collective Service mark Cases: When a collective service mark is at issue, in lieu of this instruction, insert the following:

A collective service mark is any [word] [name] [symbol] [device] [, or combination thereof,] used by [a cooperative] [an association] [, or other collective group or organization] to identify and distinguish its services from those of others, and to indicate the source of the services [, even if that source is generally unknown].

[A person who uses the collective service mark of a [cooperative] [an association] [, or another collective group or organization] may be liable for damages.].

Regarding a collective service mark, see *Robi v. Reed*, 173 F.3d 736, 739–40 (9th Cir.1999) (Musical group members, as collective mark owners of the group's service mark, do not retain the right to use the service mark when they leave the group, where members of the original group continue to use the service mark. The manager of the group, who was in a position to control the quality of its services, retained the right to use the service mark.).

D. Certification Mark for Goods Cases: When a certification mark for goods is at issue, in lieu of this instruction, insert the following:

A certification mark for goods is any [word] [name] [symbol] [device] [, or any combination thereof,] which its owner permits others to use to certify [a good's [origin] [material] [mode of manufacture] [quality] [accuracy] [fill in other certifiable characteristics]] [that the work or labor on the goods was performed by members of a union or other organization].

[A person who uses the certification mark for goods of a [cooperative] [an association] [, or another collective group or organization] may be liable for damages.].

E. Certification Mark for Services Cases: When a certification mark for services is at issue, in lieu of this instruction, insert the following:

A certification mark for services is any [word] [name] [symbol] [device] [, or any combination thereof,] which its owner permits others to use to certify [a service's [origin] [quality] [accuracy] [fill in other certifiable characteristics]] [that a service is performed by members of a union or other organization].

[A person who uses the certification mark of a [cooperative] [an association] [, or another collective group or organization] may be liable for damages.]

Further Comments: *Symbolic function of trademarks.*

18.2 DEFINITION—TRADE DRESS—GENERALLY (15 U.S.C. § 1125(A))

Trade dress is the non-functional physical detail and design of a product or its packaging, which [indicates] [or] [identifies] the product's source and distinguishes it from the products of others.

Trade dress is the product's total image and overall appearance, and may include features such as size, shape, color, color combinations, texture, or graphics. In other words, trade dress is the form in which a person presents a product or service to the market, its manner of display.

A trade dress is non-functional if, taken as a whole, the collection of trade dress elements [is not essential to the product's use or purpose] [or] [does not affect the cost or quality of the product] even though certain particular elements of the trade dress may be functional.

A person who uses the trade dress of another may be liable for damages.

Comment

See Instruction 18.5 (Infringement—Elements and Burden of Proof).

1 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 8:1 (4th ed. 2001).

It is reversible error to fail to give an instruction defining non-functionality in a trade dress case. *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 842–43 (9th Cir.1987). See Instruction 18.10 (Trade Dress—Non-functional Requirement).

Trade dress encompasses the design of a product and unregistered trade dress requires a showing of non-functionality, distinctiveness and likelihood of confusion to support a finding of infringement. See *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 210 (2000). See also *Disc Golf Ass'n, v. Champion Discs, Inc.*, 158 F.3d 1002, 1005 n. 3 (9th Cir.1998) ("Trade dress refers to the total image of a product and may include features such as size, shape, color, color combinations, texture or graphics.") (quoting *International Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 822 (9th Cir.1993)); *Kendall-Jackson Winery v. E. & J. Gallo Winery*, 150 F.3d 1042, 1044 n. 2 (9th Cir.1998).

Modifications of Instruction

A. Product Packaging Cases: Trade dress may involve the packaging or wrapping of the product at issue. This is the most frequent type of trade dress case. If such trade dress is at issue, the court may add the following after the third paragraph of this instruction:

In this case, you will hear evidence about the manner in which insert description of good was [packed] [wrapped] [boxed] [held in a container]. Trademark law protects such trade dress from others using the same or similar presentation of another product if that trade dress is non-functional and if consumers identify the packaging with the source of the product, distinguishing it from other sources.

Trade literature used in marketing constitutes trade dress. Unauthorized use by a competitor constitutes false designation of origin and unfair competition.

B. Product Design or Configuration Cases: Trade dress may be other than the packaging of the product. It may constitute the design or overall appearance or configuration of the product itself. In such cases, because the source identifying aspect is part of the physical product itself, functionality is an important issue. If such trade dress is at issue, add the following after the third paragraph of this instruction:

Trade dress concerns the overall visual impression created in the consumer's mind when viewing the non-functional aspects of the product and not from the utilitarian or useful aspects of the product. In considering the impact of these non-functional aspects, which are often a complex combination of many features, you must consider the appearance of features together, rather than separately.

See Taco Cabana, Inc., v. Two Pesos, Inc., 932 F.2d 1113 (5th Cir. 1991), *aff'd*, 505 U.S. 763, 770–773 (1992); *Vision Sports, Inc. v. Meville Corp.*, 888 F.2d 609, 613 (9th Cir.1989).

C. Business Image Cases: Although this instruction addresses the trade dress of a product, the cases suggest that services might also have a protectable trade dress. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *Fuddrucker's, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837 (9th Cir.1987). This is treated much like trade dress comprised of product packaging. If business image trade dress is at issue in the case, the following paragraph can be added after the third paragraph of the instruction:

In this case, you will hear evidence about the manner in which [*insert name of business*] identifies its business and the product or services it sells. This is the total image of the business, suggested by the general shape and appearance of its business, such as its identifying signs, interior floor space, decor, equipment, dress of employees, and other features reflecting on the total image of the business.

See Taco Cabana Int'l, Inc. v. Two Pesos, Inc., 932 F.2d 1113 (5th Cir.1991), *aff'd*, 505 U.S. 763 (1992).

18.3 DEFINITION—TRADE NAME/COMMERCIAL NAME (15 U.S.C. § 1127)

A [trade name] [commercial name] is any word or words, a symbol, or combination of words and symbol, used by a person to identify that person's [business] [vocation] [or] [occupation] and to distinguish it from the business of others. A [trade name] [commercial name] symbolizes the reputation of a person's [business] [vocation] [or] [occupation] as a whole. [By comparison, a trademark identifies a person's goods.]

Any person who uses the [trade name] [commercial name] of another may be liable for damages.

[If a person owns a trade name, then that person has the exclusive right to use the name or to control the use of confusingly similar variations of the name by others in the market.]

Comment

"Trade names symbolize the reputation of a business as a whole. In contrast, trademarks and service marks are designed to identify and distinguish a company's goods and services.... As a practical matter, courts are rarely called upon to distinguish between trade names, trademarks and service marks. Trade names often function as trademarks or service marks as well.... Perhaps because of this functional overlap, the same broad standards of protection apply to trademarks and trade names." *Accuride Int'l v. Accuride Corp.*, 871 F.2d 1531, 1534–35 (9th Cir.1989).

Further Comments: *Analyze trade names and trademarks separately; Examples of use of term as both trade name and trademark.*

18.4 TRADEMARK LIABILITY— THEORIES & POLICIES (15 U.S.C. §§ 1114(1), 1125(A))

The trademark laws balance three often-conflicting goals: 1) protecting the public from being misled about the nature and source of goods and services, so that the consumer is not confused or misled in the market; 2) protecting the rights of a business to identify itself to the public and its reputation in offering goods and services to the public; and 3) protecting the public interest in fair competition in the market.

The balance of these policy objectives vary from case to case, because they may often conflict. Accordingly, each case must be decided by examining its specific facts and circumstances, of which you are to judge.

In my instructions, I will identify types of facts you are to consider in deciding if the defendant is liable to the plaintiff for violating the trademark law. These facts are relevant to whether the defendant is liable for:

- (1) [infringing plaintiff's registered trademark rights, by using a trademark in a manner likely to cause confusion among consumers][;]
- (2) [unfairly competing, by using a trademark in a manner likely to cause confusion as to the origin or quality of plaintiff's goods][;]
- (3) [unfairly competing, by using trade dress in a manner likely to cause confusion as to the origin or quality of plaintiff's goods][;]
- (4) [infringing on plaintiff's trade name, by using similar corporate, business or professional names in a manner likely to cause confusion about the source of products in the minds of consumers] [;] [and]
- (5) [false advertising, by making a false statement that was material and that tended to deceive consumers, injuring the plaintiff in the market].

Comments

"[T]rademark policies are designed '(1) to protect consumers from being misled as to the enterprise, or enterprises, from which the goods or services emanate or with which they are associated; (2) to prevent an impairment of the value of the enterprise which owns the trademark; and (3) to achieve these ends in a manner consistent with the objectives of free competition.' " *Intel Corp. v. Terabyte Intern., Inc.*, 6 F.3d 614, 618 (9th Cir.1993) (citing *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296, 300–01 (9th Cir.1979)).

Trademark law promotes fair competition in the market place by balancing the trademark owner's good will symbolized in its mark and the consumer's ability to distinguish products of different businesses. *See Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163–164 (1995).

The general test of liability under the trademark law is likelihood of confusion. *See* 15 U.S.C. §§ 1114(1), 1125(a). "[T]he ultimate test is whether the public is likely to be deceived or confused by the similarity of the marks.... Whether we call the violation infringement, unfair competition or false designation of origin, the test is identical—is there a 'Likelihood of Confusion?' " *New West Corp. v. NYM Co. Of California, Inc.*, 595 F.2d 1194, 1201 (9th Cir.1979).

Generally, liability for infringement of a registered trademark is handled under 15 U.S.C. § 1114(1). Unfair competition through infringing an unregistered trademark or infringing trade dress is handled under 15 U.S. C. § 1125(a). A cause of action for false advertising is also found in 15 U.S.C. § 1125(a). *See Harper House, Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197 (9th Cir. 1989); *U-Haul Int'l v. Jartran, Inc.*, 601 F.Supp. 1140 (D.Ariz.1984), *aff'd in part, modified in part & rev'd in part*, 793 F.2d 1034 (9th Cir.1986).

Further Comments: *Domain Names as Trademark; Counterfeit Commerce; Elements of Counterfeit Claim.*

18.5 INFRINGEMENT—ELEMENTS AND BURDEN OF PROOF—TRADEMARK OR TRADE DRESS—(15 U.S.C. §§ 1114(1) & 1125(A)(1))

On the plaintiff's claim for trademark infringement, the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence that:

1. [describe plaintiff's symbol or term] is a valid, protectable trademark;
2. the plaintiff owns [describe plaintiff's symbol or term] as a trademark;
3. the defendant used [describe symbol or term used by defendant] [a mark similar to [describe plaintiff's symbol or term]] without the consent of the plaintiff in a manner that is likely to cause confusion among ordinary purchasers as to the source of the goods; and
4. plaintiff was damaged by defendant's infringement.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

This instruction sets out the general standard for trademark infringement liability under the Lanham Act. Modify this instruction as necessary in any case involving service marks, trade dress, collective trade or service marks, or certification trade or service marks, by inserting such terms in lieu of the word "trademark" in this instruction. The traditional infringement case involves the defendant palming off the defendant's product as the plaintiff's by using the plaintiff's trademark. However, infringement also occurs from the opposite, where defendant's use of plaintiff's trademark creates the impression that the plaintiff's product is the defendant's.

The statute requires that the mark be either (1) used in commerce or (2) placed on goods intended to be used in commerce. 15 U.S.C. § 1114(1). Because the "commerce" requirement is jurisdictional, that element need not go to the jury.

Where the defendant's infringing action consists of using a mark similar, but not identical to the plaintiff's, particular care should be exercised in the third numbered element of this instruction. *Gracie v. Gracie*, 217 F.3d 1060, 1066–1067 (9th Cir.2000) (when instructing jury to consider if defendant "used" plaintiff's mark, trial court should make it clear jury can consider whether the marks were similar). The second bracketed phrase in the third numbered element of this instruction may be a sufficient specification in most cases involving defendant's use of mark similar, rather than identical, to the plaintiff's.

Consult the following instructions in order to explain the elements identified by this instruction:

Instruction 18.11 (Elements—Ownership—Generally)

Instruction 18.15 (Likelihood of Confusion—Factors—*Sleekcraft* Test)

Instruction 18.6 (Elements—Presumed Validity & Ownership—Registered Marks).

Although 15 U.S.C. § 1114(1) provides protection only to registered marks and 15 U.S.C. § 1125(a)(1) protects against infringement of unregistered and registered marks, trade dress and false advertising, the Ninth Circuit has explained that "[d]espite these differences, the analysis [for infringement] under the two provisions is sometimes identical." *Brookfield Communications, Inc., v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1046–1047 n. 8 (9th Cir.1999) (trademark infringement elements under either § 1114 or § 1125(a) involve a plaintiff showing 1) that defendant used a mark confusingly similar to 2) a valid, protectable trademark 3) that was owned by the plaintiff.).

Further Comment: *Additional Ninth Circuit Cases on Similarity of § 1114 and 1125.*

**18.5A INFRINGEMENT—ELEMENTS AND BURDEN OF PROOF—
TRADE DRESS—(15 U.S.C. 1125(a)(1)) [NEW]**

On the plaintiff's claim for trade dress infringement, the plaintiff has the burden of proving by a preponderance of the evidence each of the following elements:

1. [describe plaintiff's trade dress] is distinctive;
2. the plaintiff owns [describe plaintiff's trade dress] as trade dress;
3. the [describe plaintiff's trade dress] is nonfunctional;
4. the defendant used [describe trade dress used by defendant] [trade dress similar to [describe plaintiff's trade dress]] without the consent of the plaintiff in a manner that is likely to cause confusion among ordinary purchasers as to the source of the [plaintiff's] [defendant's] goods; and
5. the plaintiff was damaged by defendant's infringement.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

See Disc Golf Ass'n v. Champion Discs, Inc., 158 F.3d 1002, 1005 (9th Cir. 1998) (elements of trade dress); *Clicks Billiards, Inc. v. Six Shooters, Inc.*, 251 F.3d 1252, 1257-58 (9th Cir. 2001).

To provide the jury further guidance on the first element of this instruction (distinctiveness), use Instruction 18.7 (Infringement – Elements – Validity – Unregistered Marks), Instruction 18.8 (Infringement – Elements – Validity – Unregistered Mark – Distinctiveness) (consulting the Comment to that Instruction on Modifications for Trade dress cases), and 18.9 (Infringement – Elements – Validity – Distinctiveness – Secondary Meaning). If the trade dress is registered, use Instruction 18.6 (Infringement – Elements – Presumed Validity and Ownership – Registered Trademark).

An instruction to provide the jury further guidance on the third element of this instruction (nonfunctionality) is found at Instruction 18.10. An instruction covering the fourth element of this instruction (Likelihood of Confusion) is found at Instruction 18.15 (Likelihood of Confusion – Factors – *Sleekcraft* Test).

**18.6 INFRINGEMENT—ELEMENTS—PRESUMED
VALIDITY AND OWNERSHIP—REGISTERED TRADEMARK
(15 U.S.C. §§ 1057, 1065 AND 1115)**

I gave you instruction number [*insert number of instruction regarding Trademark Elements and Burden of Proof, e.g., 18.5*] that requires the plaintiff to prove by a preponderance of the evidence [that the trademark is valid and protectable] [and] [that the plaintiff owns the trademark]. [A valid trademark is a word, name, symbol, device, or any combination of these, that indicates the source of goods and distinguishes those goods from the goods of others. A trademark becomes protectable after it is used in commerce].

One way for the plaintiff to prove trademark validity is to show that the trademark is registered. An owner of a trademark may obtain a certificate of registration issued by the United States Patent and Trademark Office and may submit that certificate as evidence [of the validity and protectability of the trademark] [and] [of the certificate holder's ownership of the trademark] covered by that certificate.

Exhibit ____ is a certificate of registration from the United States Patent and Trademark Office. [It was submitted by the plaintiff as proof of the validity of the trademark [and] [that the plaintiff owns the trademark].]

The facts recited in this certificate are:[*summarize certificate entries as to validity and ownership of trademark, as well as limitations on the registration*]. However, the defendant submitted evidence to dispute these recitals. The defendant alleges that the certificate cannot be considered proof of [[validity] [and] [ownership]]of the trademark because [*insert § 1115(b) defense(s) raised by defendant, e.g., the trademark had been abandoned, the defendant's fair use of the trademark, etc.*].

[Unless the defendant proves by a preponderance of the evidence that [*insert § 1115(b) defense(s) raised by defendant, e.g., that the trademark was abandoned*], you must consider the trademark to be conclusively proved as [[valid] [and][owned by the plaintiff]]. However, if the defendant shows that [*insert § 1115(b) defense(s) raised, e.g., the trademark was abandoned*] by a preponderance of the evidence, then the facts stated in the certificate [*summarize certificate entries disputed by defendant's proof*] are no longer conclusively presumed to be correct. [You should then consider whether all of the evidence admitted in this case, in addition to this certificate of registration, shows by a preponderance of the evidence that the trademark is [[valid] [and] [owned by the plaintiff]], as I explain in Instruction [*insert number of instruction regarding Trademark Elements and Burden of Proof, e.g., 18.5*]

Comment

See 15 U.S.C. § 1115(b).

This instruction refers to the court's instruction to the jury that sets out the elements of infringement, e.g., an instruction similar to 18.5 (Infringement—Elements and Burden of Proof—Trademark or Trade Dress). The number that the court assigned to that instruction should be inserted in the first and last paragraphs of this instruction.

The defendant has the burden of proving that registration for a trademark is defective or subject to a defense. The defendant must show such defect or defense by a preponderance of the evidence. *See Sengoku Works Ltd. v. RMC Intern., Ltd.*, 96 F.3d 1217, 1219–1220 (9th Cir.1996) (Registrant is granted a presumption of ownership under the Lanham Act and "challenger must overcome this presumption by a preponderance of the evidence."); *Vuitton et Fils S.A. v. J. Young Enterprises, Inc.*, 644 F.2d 769, 775–776 (9th Cir.1981) (presumption of validity of a registered mark must be overcome by a preponderance of the evidence).

This instruction is for use in cases where the plaintiff relies on registration of the mark to show two elements of the plaintiff's burden: ownership and validity. *See* Instruction 18.5 (Infringement—Elements and Burden of Proof—Trademark or Trade Dress). Under the Lanham Act, the evidentiary effect of registration varies depending upon how long the mark has been registered and whether the defendant disputes that registration.

Modify this instruction as necessary in any case involving service marks, trade dress, collective trade or service marks, or certification trade or service marks, by inserting such terms in lieu of the word "trademark" in this instruction.

Possible Adjustments for Use of this Instruction:

This instruction treats the issue of incontestability as determined when registered more than five years and if certain statutory formalities are met (e.g., timely filed affidavit of continuous use), the registration is considered "incontestible" evidence of the registrant's right to use the mark. 15 U.S.C. § 1065. It is considered conclusive evidence of the validity of the registered mark as well as the registrant's ownership. 15 U.S.C. § 1115(b). The "validity and legal protectability, as well as the [registrant's] ownership therein, are all conclusively presumed," when a mark's registration becomes incontestible, subject to certain defenses. *Brookfield Communications v. West Coast Entertainment*, 174 F.3d 1036, 1046–47 n. 10 (9th Cir.1999).

On the other hand, if the mark has been registered less than five years, it is considered "contestable" and provides only prima facie evidence of the validity and ownership of the mark, subject to any limitations stated in the registration. 15 U.S.C. §§ 1057(b) & 1115(a). *See Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1354–1355 (9th Cir.1985) (plaintiff may not rely on the mark's registration for pants as applying to its use in the shirt market).

If the judge decides to place the issue of contestability before the jury, the following paragraph should be added in lieu of the fifth paragraph:

[Unless the defendant proves by a preponderance of the evidence that [insert § 1115(b) defense(s) raised by defendant, e.g., that the mark was abandoned], you must consider the trademark to be conclusively proved as [[valid] [and] [owned by the plaintiff], [if the mark has been in continuous use for five consecutive years after the date of registration in the certificate and other statutory formalities have been observed]. However, if the defendant shows that [insert § 1115(b) defense(s) raised, e.g., that the mark was abandoned] by a preponderance of the evidence, then the facts stated in the certificate [summarize certificate entries disputed by defendant's proof] are no longer conclusively presumed to be correct. [You should then consider whether all of the evidence admitted in this case, in addition to this certificate of registration, shows by a preponderance of the

evidence that the mark is [[valid] [and] [owned by the plaintiff]], as I explain in Instruction] [insert number of instruction regarding Trademark Elements and Burden of Proof, e.g., 18.5].

If the plaintiff is not the registrant of the mark, but a successor to the registrant, this instruction should be modified, to explain the plaintiff's claim of ownership of the mark, e.g., through assignment, exclusive license, etc., *See, e.g.* Instructions 18.12 (Trademark Assignee), 18.13 (Trademark Licensee); 18.14 (Trademark Owner—Presumption—Merchant or Distributor).

If the defendant's proof of an exception or defense to incontestability includes the same elements as a defense to infringement, the last paragraph of the instruction should be modified so that if the jury finds the defense or exception to incontestability true by a preponderance of the evidence, the defendant is entitled to a verdict on the infringement charge.

Modifications of Instruction for Other Registration Issues

This instruction is a model for any case involving an incontestable trademark in which the defendant introduces a defense or exception under 15 U.S.C. § 1115(b). If other types of registration are at issue in the case, modification to the instruction should be made as follows:

A. Disputed Incontestable Registration: When the defendant disputes the incontestability of a trademark, use this instruction.

B. Disputed Contestable Registration: When a trademark registration is still contestable because the trademark has not been in continuous use for five consecutive years subsequent to the date of registration under 15 U.S.C. § 1065, substitute the following after the third paragraph of this instruction, if the defendant disputes the facts stated in the registration certificate:

The law presumes that the facts noted in the certificate are true, that is that [summarize certificate entries as to validity and ownership of trademark, as well as limitations on the registration]. But this presumption can be overcome by sufficient evidence to the contrary. Here, the defendant has presented evidence that [summarize defendant's contentions, e.g., that the trademark was abandoned, the registration was fraudulently obtained, etc.]. If the defendant is able to show this evidence by a preponderance of the evidence, then you cannot rely on the registration as stating the truth of the matters contained therein.

C. Undisputed Incontestible Registration: When defendant does not dispute an incontestable trademark, substitute the following paragraph in lieu of the fourth and fifth paragraphs of this instruction:

In this case, there is no dispute that the plaintiff received a registration for the trademark [*identify the trademark*] and this registration is now "incontestable" under the trademark laws. This means that the plaintiff's registration of the trademark is conclusive evidence of plaintiff's ownership of that trademark and that the trademark is valid and protectable. [I instruct you that for purposes of Instruction [*insert number of instruction regarding Trademark Elements and Burden of Proof, e.g., 18.5*], you must find that the plaintiff owned the trademark and that the trademark was valid and protectable.]

D. Undisputed Contestable Registration: When a trademark registration is still "contestable" because the trademark has not been in continuous use for five consecutive years subsequent to the date of registration under 15 U.S.C. § 1065, but the defendant does not dispute the facts stated in the contestable registration certificate, substitute the following after the first and second paragraphs of this instruction:

The law presumes that the facts noted in the certificate are true. This means you must find that the plaintiff owned the trademark and that the trademark was valid and protectable as indicated by the registration certificate.

Further Comments:

On Evidentiary Effects of Registration: Incontestable Marks; Contestable Marks; Evidentiary Effect of Classification; Effect on Parties' Burden; Contestability and Common Law Defenses; Exceptions to Incontestability; Effect of Proving Exception to Incontestability; Incontestability Exceptions and Defenses.

18.7 INFRINGEMENT—ELEMENTS—VALIDITY—UNREGISTERED MARKS

Instruction [*insert number of instruction regarding Trademark Elements and Burden of Proof, e.g., 18.5*] requires the plaintiff to prove by a preponderance of the evidence that [*describe plaintiff's alleged trademark*] is valid. A valid trademark is a [word, symbol, or device] that is either:

1. inherently distinctive; or
2. descriptive, but has acquired a secondary meaning.

[Only a valid trademark can be infringed.] [Only if you determine plaintiff proved by a preponderance of the evidence that the [*describe plaintiff's alleged trademark*] is a valid trademark should you consider whether plaintiff owns it or whether defendant's actions infringed it.]

Only if you determine that [*describe plaintiff's alleged trademark*] is not inherently distinctive should you consider whether it is descriptive but became distinctive through the development of secondary meaning, as I will direct in Instruction [*insert number of instruction regarding Trademark Elements and Burden of Proof, e.g., 18.5*].

Comment

This instruction refers to the court's instruction to the jury that sets out the elements of infringement, e.g., an instruction similar to 18.5 (Infringement—Elements and Burden of Proof—Trademark or Trade Dress). The number that the court assigned to that instruction should be inserted in the first and last paragraphs of this instruction.

A trademark is valid only if it is inherently distinctive or if it became distinctive through development of secondary meaning. *Taco Cabana, Inc. v. Teo Pesos, Inc.*, 932 F.2d 1113 (5th Cir.1991), *aff'd*, 505 U.S. 763, 769 (1992).

Since 1988, the Ninth Circuit has utilized a two-prong test of mark strength. *See GoTo.com, Inc., v. Walt Disney Co.*, 202 F.3d 1199, 1207 (9th Cir.2000) (" 'strength' of the trademark is evaluated in terms of its conceptual strength and commercial strength"). *See also Miss World (UK) Ltd. v. Mrs. America Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir.1988) (approving analysis of mark for distinctiveness as well as strength in the marketplace).

Whether a symbol acquired secondary meaning is a question of fact for the jury. *See Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001 (9th Cir.1985).

**18.8 INFRINGEMENT—ELEMENTS—VALIDITY—
UNREGISTERED MARK—DISTINCTIVENESS
STRENGTH AS A LIKELIHOOD OF CONFUSION FACTOR**

How [distinctively] [strongly] a trademark indicates that a good comes from a [particular] [specific] source [even if unknown] is an important factor to consider in [[assessing its validity] [and] [Instruction *insert number of instruction regarding Skeekcraft Test, e.g., 18.1* for determining whether the trademark used by the defendant creates for consumers a likelihood of confusion with the plaintiff's trademark].

The plaintiff asserts [*insert claimed trademark*] is a valid and protectable trademark for its [*insert goods used in connection with the trademark*]. [The plaintiff contends that the defendant's use of [those] [similar] words in connection with the defendant's [*insert defendant's product or service or business*] [[infringes plaintiff's trademark] [and] [is likely to cause confusion about the [origin of goods] [business] associated with that trademark.]]

In order to determine if the plaintiff has met its burden of showing that [*insert claimed trademark*] is a valid trademark, you should classify it on the spectrum of trademark distinctiveness that I will explain in this instruction.

[An inherently distinctive trademark is a word, symbol or device, or combination of them, which intrinsically identifies a particular source of a good in the market. The law assumes that an inherently distinctive trademark is one that almost automatically tells a consumer that it refers to a brand or a source for a product, and that consumers will be predisposed to equate the trademark with the source of a product.]

Spectrum of Marks

Trademark law provides [great] protection to distinctive or strong trademarks. Conversely, trademarks that are not as distinctive or strong are called "weak" trademarks and receive less protection from infringing uses. Trademarks that are not distinctive are not entitled to any trademark protection. For deciding trademark protectability you must consider whether a trademark is inherently distinctive. Trademarks are grouped into four categories according to their relative [strength] [distinctiveness]. These four categories are, in order of strength or distinctiveness: arbitrary (which is inherently distinctive), suggestive (which also is inherently distinctive), descriptive (which is protected only if it acquires in consumers' minds a "secondary meaning" which I explain in Instruction [*insert number of instruction regarding secondary meaning, e.g., 18.9 (Infringement—Elements—Validity—Distinctiveness—Secondary Meaning)*] and generic trademarks (which are entitled to no protection).

Arbitrary Trademarks. The first category is "inherently distinctive" trademarks. They are considered strong marks and are clearly protectable. They involve the arbitrary, fanciful or fictitious use of a word to designate the source of a [product] [service]. Such a trademark is a word that in no way describes or has any relevance to the particular [product] [service] it is meant to identify. It may be a common word used in an unfamiliar way. It may be a newly created (coined) word or parts of common words which are applied in a fanciful, fictitious or unfamiliar way, solely as a trademark.

For instance, the common word "apple" became a strong and inherently distinctive trademark when used by a company to identify the personal computers that company sold. The company's use of the word "apple" was arbitrary or fanciful because "apple" did not describe and was not related to what the computer was, its components, ingredients, quality, or characteristics. "Apple" was being used in an arbitrary way to designate for consumers that the computer comes from a particular manufacturer or source.

Suggestive Trademarks. The next category of marks is suggestive trademarks. These trademarks are also inherently distinctive but are considered weaker than arbitrary trademarks. Unlike arbitrary trademarks, [which are in no way related to what the [product] [service] is or its components, quality, or characteristics,] suggestive trademarks imply some characteristic or quality of the [product] [service] to which they are attached. If the consumer must use imagination or any type of multi-stage reasoning to understand the trademark's significance, then the trademark does not describe the product's features, but suggests them.

A suggestive use of a word involves consumers associating the qualities the word suggests to the [product] [service] to which the word is attached. For example, when "apple" is used not to indicate a certain company's computers, but rather "Apple-A-Day" Vitamins, it is being used as a suggestive trademark. "Apple" does not describe what the vitamins are. However, consumers may come to associate the healthfulness of "an apple a day keeping the doctor away" with the supposed benefits of taking "Apple-A-Day" Vitamins.

Descriptive Trademarks. The third category of marks is descriptive trademarks. These trademarks directly identify or describe some aspect, characteristic, or quality of the [product] [service] to which they are affixed in a straightforward way that requires no exercise of imagination to be understood.

For instance, the word "apple" is descriptive when used in the trademark "CranApple" to designate a cranberry-apple juice. It directly describes ingredients of the juice. Other common types of descriptive trademarks identify where a [product] [service] comes from, or the name of the person who makes or sells the [product] [service]. Thus, the words "Apple Valley Juice" affixed to cider from the California town of Apple Valley is a descriptive trademark because it geographically describes where the cider comes from. Similarly, a descriptive trademark can be the personal name of the person who makes or sells the product. So, if a farmer in Apple Valley, Judy Brown, sold her cider under the label "Judy's Juice" (rather than Cran Apple) she is making a descriptive use of her personal name to indicate and describe who produced the apple cider [and she is using her first name as a descriptive trademark.]

Generic Trademarks. The fourth category of trademarks is entitled to no protection at all. They are called generic trademarks and they give the general name of the [product] [service] of the plaintiff. They are part of our common language which we need to identify all such similar [products] [services]. They are the common name for the [product] [service] to which they are affixed. It is the general name for which the particular product or service is an example.

It is generic if the term answers the question "what is the [product] [service] being sold?" If the average [relevant] consumer would identify the term with all such similar [products]

[services], regardless of the [manufacturer] [provider], the term is generic and not entitled to protection as a trademark.

Clearly, the word apple can be used in a generic way and not be entitled to any trademark protection. This occurs when the word is used to identify the fleshy, red fruit from any apple tree.

The computer maker who uses that same word to identify the personal computer, or the vitamin maker who uses that word on vitamins, has no claim for trademark infringement against the grocer who used that same word to indicate the fruit sold in a store. As used by the grocer, the word is generic and does not indicate any particular source of the product. As applied to the fruit, "apple" is simply the common name for what is being sold.

Mark Distinctiveness and Validity

If you decide that [*insert plaintiff's claimed trademark*] is arbitrary or suggestive, it is considered to be inherently distinctive. An inherently distinctive trademark is valid and protectable.

On the other hand, if you determine that [*insert plaintiff's claimed trademark*] is generic, it cannot be distinctive and therefore is not valid nor protectable. You must render a verdict for the defendant on the charge of infringement in Instruction [*insert number of instruction regarding Trademark Elements and Burden of Proof, e.g., 18.5*].

If you decide that [*insert plaintiff's claimed trademark*] is descriptive, you will not know if the trademark is valid or invalid until you consider if it has gained distinctiveness by the acquisition of secondary meaning, which I explain in Instruction [*insert number of instruction regarding secondary meaning, e.g., 18.9 (Infringement—Elements—Validity—Distinctiveness—Secondary Meaning)*].

Comment

This instruction is based upon the test in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 10–11 (2d Cir.1976) (setting forth spectrum of marks from arbitrary to generic). The Supreme Court notes this case sets out a "classic test" of trademark strength. *Wal-Mart Stores, Inc., v. Samara Brothers, Inc.*, 529 U.S. 205, 210 (2000).

In the first paragraph, this instruction refers to the court's instruction to the jury that sets out the factors of the *Sleekcraft* test for Likelihood of Confusion, e.g., an instruction similar to 18.15 (*Infringement—Elements—Likelihood of Confusion—Sleekcraft Test*). The number that the court assigned to that instruction should be inserted in the first paragraph of this instruction. Similarly, in the fifth and in the last paragraph of the instruction, reference is made to an instruction concerning secondary meaning, e.g., 18.9 (*Infringement—Elements—Validity—Distinctiveness—Secondary Meaning*). In the next to the last paragraph of this instruction, reference is made to an instruction concerning the Elements of Infringement, e.g., 18.5 (*Infringement—Elements & Burden of Proof—Trademark or Trade Dress*).

This instruction sets out the traditional spectrum of marks. *See, e.g., Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) ("Marks are often classified in categories of generally increasing distinctiveness; following the classical formulation ... they may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful."); *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir.1992) ("The strength of a mark is determined by placement on a 'continuum of marks from "generic" afforded no protection; through "descriptive" or "suggestive" given moderate protection; to "arbitrary" or "fanciful" awarded maximum protection.' ") (quoting *Nutri/System, Inc. v. Con-Stan Industries, Inc.*, 809 F.2d 601, 605 (9th Cir.1987)); *Surgicenters of America, Inc. v. Medical Dental Surgeries Co.*, 601 F.2d 1011, 1014 (9th Cir.1979) ("The cases identify four categories of ... trademark protection: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful."). *See also Kendall-Jackson Winery v. E. & J. Gallo Winery*, 150 F.3d 1042, 1047 (9th Cir.1998) (setting forth the categories of distinctiveness and describing criteria for each category).

Modification of Instruction

This instruction sets out the general standard for assessing the strength of a trademark. It may require appropriate modifications in a case involving service marks, collective trade or service marks, or certification trade or service marks. Often this adjustment is possible by inserting the term service mark, collective mark, etc., in lieu of the word trademark in this instruction.

However, greater modifications may be necessary in trade dress cases. The Supreme Court suggested the appropriateness of the arbitrary—suggestive-descriptive—generic spectrum for word trademarks, as used in this instruction. *See Wal-Mart Stores, Inc., v. Samara Brothers, Inc.*, 529 U.S. 205, 212–213 (2000). Such a test might be appropriate for trade dress that is product packaging as well. The same is not true for trade dress that consists of product design or configuration. The court indicated that application of such a spectrum is "problematic" if not erroneous. *Id.*

Accordingly, if a case involves aspects of a product that is physically and functionally inseparable from the product as a whole, that is, consists of a product design or configuration, no instruction on inherent distinctiveness is appropriate. Rather, the jury should be instructed on secondary meaning. *See Wal-Mart Stores*, 529 U.S. at 212–213. Similarly, if the court faces a trade dress case in which it was ambiguous whether the dispute involves product packaging or product design, the court should require a showing of secondary meaning. *Wal-Mart Stores*, 529 U.S. at 215 ("[C]ourts should err on the side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning.") A model instruction for secondary meaning is found at Instruction 18.9.

In cases involving product packaging, the differences between use of a word as opposed to use of various symbols or devices will probably require modification of this spectrum of marks instruction (Instruction 18.8). In lieu of modifying the spectrum of mark instruction, the court might consider the propriety of giving an instruction utilizing the test in *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342, 1344–1346 (C.C.P.A. 1977). While the Ninth Circuit has not specifically addressed use of *Seabrook*, it has generally suggested that inherently distinctive trade dress involves the overall impression that is arbitrary or uncommon.

The Ninth Circuit has required, without delineating specific factors that should be considered, that an inherently distinctive symbol or device identify the particular source of the product and distinguish it from other products. *See International Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 824 (9th Cir.1993); *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 844 (9th Cir.1987) (restaurant design case). Some district courts have suggested the *Seabrook* test may be appropriate for certain types of trade dress. *See, e.g., Continental Laboratory Products, Inc. v. Medax International, Inc.*, 114 F. Supp.2d 992, 999 n. 6 (S.D.Cal.2000).

This instruction (18.8) can be modified for trade dress cases involving packaging or other non-word symbols or designs by inserting the words "trade dress" in lieu of "trademark" and the words "symbol" or "design" in lieu of the term "word" when they are used in this instruction. After the first four paragraphs and before the paragraph under the heading "Spectrum of Marks," the following should be added for trade dress cases:

Trade dress is inherently distinctive if the total impression it gives the consumer is one that identifies it as coming from a specific origin or source, whether or not that source is known to the consumer. Inherently distinctive trade dress helps consumers identify the product, distinguishing the plaintiff's product from that produced by others, such as the defendant.

You should consider the total visual impression of the trade dress, not each element of it in isolation. Inherently distinctive trade dress often uses common, non-distinctive elements when considered individually. However, it is the combination of elements and the total impression that the dress conveys to the consumer that shows if it is distinctive.

The various paragraphs under the heading "Spectrum of Marks" will need to be adjusted so that they describe the arbitrary, suggestive, descriptive or generic use of a symbol or device, rather than of a word. For instance, if an example of apple-flavored candy were the product, the modification involving the trade dress for that product would indicate that the trade dress would be:

— Generic, if sold in red, plastic wrappers so that they looked like small round balls. Because they share a shape and color that many other candies have, the maker of the round apple flavored candy would not be able to get trade dress protection for this packaging. The red plastic wrapping on the small, round candy does not distinctively indicate any particular maker of candy, whatever its flavor.

— Descriptive, if the producer sold the candy in a small plastic apple-shaped container. The packaging describes a characteristic of the product—it tastes like apple. This trade dress can only be protected if it acquires secondary meaning (e.g., while it does not "immediately" indicate the source of the candy, with time there may be proof that the small plastic apple container became known to children as the product of this particular maker of this apple flavored candy).

— Suggestive, if the producer were to sell the candy in a box shaped like a school text book. The text book appearance of the box connotes a characteristic of the product, allowing the consumer to infer something about the product from the trade dress. Here, the book packaging suggesting the idea of children bringing an apple to school to share with their favorite teacher,

and that perhaps they can bring the candy in lieu of the apple. This can suggest to the consumer that the candies have an apple flavor.

— Arbitrary, if the candy were sold in a box shaped like a television, with a screen in which you could see the small, apple flavored candy. It would also be arbitrary if packaged in a container of some fanciful, new and previously unknown shape. It is totally unrelated to the apple flavored candy, whether using the shape of the television that has no relation to an apple flavored candy, or fanciful, previously unknown shape.

Use of Instruction in Likelihood of Confusion Determination: While the elements of mark distinctiveness are the same, whether for assessing mark validity or likelihood of confusion, use Instruction 18.16 (Likelihood of Confusion—Factor—Strength or Weakness of Trademark) for assessing distinctiveness in the context of whether infringement occurred.

This instruction sets forth the first prong of the two prong test of mark strength used in the Ninth Circuit. The second prong of the test is found in Instruction 18.9 (*Infringement—Elements—Validity—Distinctiveness—Secondary Meaning*).

Since 1988, the Ninth Circuit has utilized a two-prong test of mark strength. *See GoTo.com, Inc. v. Walt Disney Company*, 202 F.3d 1199, 1207 (9th Cir.2000) (" 'strength' of the trademark is evaluated in terms of its conceptual strength and commercial strength"). *See also Accuride Int'l, Inc. v. Accuride Corp.*, 871 F.2d 1531, 1536 (9th Cir.1989); *Miss World (UK) Ltd. v. Mrs. America Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir.1988) (approving placement on spectrum of distinctiveness as well as strength in the marketplace); *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1179 (9th Cir.1988) (listing factors demonstrating marketplace strength).

Generally, use of the second prong is appropriate in cases of descriptive or suggestive marks. *See, e.g., Filipino Yellow Pgs. v. Asian Journal Publications*, 198 F.3d 1143, 1147–48 (9th Cir.1999) (if mark is descriptive, it is protectable if it has acquired secondary meaning); *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir.1992) (A personal name used as a trademark generally is not inherently distinctive; but if secondary meaning is acquired, a personal name is treated as a strong, distinctive mark.).

The weight of authority in the Ninth Circuit is that even though a mark has become incontestable, this status does not necessarily mean that it is a strong mark. *See Miss World (UK) Ltd. v. Mrs. America Pageants*, 856 F.2d 1445, 1449 (9th Cir.1988). *But see Brookfield Communications v. West Coast*, 174 F.3d 1036, 1047 n. 10 (9th Cir.1999) (That a federally registered trademark is incontestable means "that its validity and legal protectability" and the registrant's ownership in the mark "are all conclusively presumed," subject to certain defenses) (citation omitted). However, if an incontestable mark is involved, it may be improper to include paragraphs concerning the descriptive range of the spectrum. Incontestability precludes a challenge to the mark based on an assertion that the mark is not inherently distinctive (e.g., is merely descriptive or misdescriptive, primarily geographically descriptive or misdescriptive, or primarily merely a surname) and lacks secondary meaning. *See* 15 U.S.C. § 1115 (b) (4) (although incontestably registered, a trademark is vulnerable to a defense that the trademark "is descriptive of ... the goods ... " of the defendant.)

A mark's strength is equivalent to its distinctiveness. *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir.1992).

Further Comments: *Example of Spectrum of Strength; Meaning of Inherent Distinctiveness; Product Packaging & Test of Distinctiveness; Context of Determining Trademark Distinctiveness.*

18.9 INFRINGEMENT—ELEMENTS—VALIDITY— DISTINCTIVENESS—SECONDARY MEANING

If you determined that [*identify plaintiff's claimed trademark*] is descriptive, you must consider the recognition that the mark has among prospective purchasers. This market recognition is called the trademark's "secondary meaning."

A [word] [symbol] [term] acquires a secondary meaning when it has been used in such a way that its primary significance in the minds of the prospective purchasers is not the product itself, but the identification of the product with a single source, regardless of whether consumers know who or what that source is. You must find that the preponderance of the evidence shows that a significant number of the consuming public associates the [*identify the alleged trademark*] with a single source, in order to find that it has acquired secondary meaning.

You may consider the following factors when you determine whether [*describe symbol or term*] has acquired a secondary meaning:

- (1) Purchaser Perception. Whether the people who purchase the [product] [service] that bears the claimed trademark associate the trademark with the [owner] [assignee] [licensee];
- (2) Advertisement. To what degree and in what manner the [owner] [assignee] [licensee] may have advertised under the claimed trademark;
- (3) Demonstrated Utility. Whether the [owner] [assignee] [licensee] successfully used this trademark to increase the sales of its [product] [service];
- (4) Extent of Use. The length of time and manner in which the [owner] [assignee] [licensee] used the claimed trademark;
- (5) Exclusivity. Whether the [owner's] [assignee's] [licensee's] use of the claimed trademark was exclusive;
- (6) Copying. Whether the defendant intentionally copied the [[owner's] [assignee's] [licensee's]] trademark;
- (7) Actual Confusion. Whether the defendant's use of the plaintiff's trademark has led to actual confusion; and
- (8) [*Insert any other factors that bear on secondary meaning*].

Descriptive marks are protectable only to the extent you find they acquired distinctiveness [through secondary meaning] [by the public coming to associate the mark with the [owner of the mark] [a particular source]]. Descriptive marks are entitled to protection only as broad as the secondary meaning they have acquired, if any. If they have acquired no secondary meaning, they are entitled to no protection and cannot be considered a valid mark.

[The plaintiff has the burden of proving that the [*identify plaintiff's trademark*] has acquired a secondary meaning.] [The defendant has the burden of proving that the [*identify plaintiff's trademark*] lacks a secondary meaning.]

The mere fact that the plaintiff is using [*describe symbol or term*], or that the plaintiff began using it before the defendant, does not mean that the trademark has acquired secondary meaning. There is no particular length of time that a trademark must be used before it acquires a secondary meaning.

Comment

The test for secondary meaning is the same whether for product configuration or trade dress or trademark cases. *See Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 876 n. 6 (9th Cir.1999).

"Secondary meaning" is often referred to as "acquired meaning." *See Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 211, n* (2000). If it is not inherently distinctive, a mark may acquire distinctiveness if it has developed secondary meaning. *Id.* at 211. This means the mark's primary significance in the public mind is to identify the source of the product rather than the product itself. *Id.* But the term secondary meaning "is often a misnomer," particularly when applied to non-word marks. *Id.* "Clarity might well be served by using the term 'acquired meaning' in both the word-mark and the non-word mark contexts" rather than the term "secondary meaning." *Id.*

The penultimate paragraph to this instruction specifies alternate parties carrying the burden of persuasion as to acquired secondary meaning. The burden is on the plaintiff if the mark is not registered, in which case part of the plaintiff's burden is to show the mark is distinctive (either by being inherently distinctive or by having acquired secondary meaning), and hence protectable. *See Self-Realization Fellowship Church v. Ananda*, 59 F.3d 902, 910–12 (9th Cir.1995) (court found that plaintiff's unregistered mark was descriptive and lacked secondary meaning, and therefore, was invalid). *See also Filipino Yellow Pages v. Asian Journal Publications*, 198 F.3d 1143, 1151–52 (9th Cir.1999).

On the other hand, if the mark is validly registered but has not yet attained incontestable status, the plaintiff's registration carries a presumption of secondary meaning, because registered marks are presumed distinctive. *Americana Trading, Inc., v. Russ Berrie & Co.*, 966 F.2d 1284, 1287 (9th Cir.1992). The burden is then on the defendant to prove that secondary meaning has not attached if the defendant wishes to argue that the plaintiff's mark was weak (e.g., was descriptive) and not entitled to trademark protection. *Id.*

Further Comments: *Test of Secondary Meaning; Establishing Secondary Meaning; Instructing Jury on Secondary Meaning; Effectiveness of Creating Secondary Meaning; Explaining Secondary Meaning.*

18.10 INFRINGEMENT—ELEMENTS—VALIDITY—TRADE DRESS—NON-FUNCTIONALITY REQUIREMENT

A product feature is functional if it is essential to the product's use or purpose, or if it affects the product's cost or quality. It is non-functional if its shape or form makes no contribution to the product's function or operation. If the feature is part of the actual benefit that consumers wish to purchase when they buy the product, the feature is functional. However, if the feature serves no purpose other than as an assurance that a particular entity made, sponsored or endorsed the product, it is non-functional.

To determine whether a product's particular shape or form is functional, you should consider whether the design as a whole is functional, that is whether the whole collection of elements making up the design or form are essential to the product's use or purpose.

You should assess the following factors in deciding if the product feature is functional or non-functional:

- (1) The design's utilitarian advantage. In considering this factor, you may examine whether the particular design or product feature yield a utilitarian advantage over how the product might be without that particular design or product feature. If there is a utilitarian advantage from having the particular design or feature, this would weigh in favor of finding the design or feature is functional;
- (2) Availability of alternate designs. In considering this factor, you may examine whether an alternate design could have been used, so that competition in the market for that type of product would not be hindered by allowing only one person to exclusively use the particular design or configuration. For this to be answered in the affirmative, the alternatives must be more than merely theoretical or speculative. They must be commercially feasible. The unavailability of a sufficient number of alternate designs weighs in favor of finding the design or feature is functional;
- (3) Advertising utilitarian advantage in the design. In considering this factor, you may examine whether the particular design or configuration has been touted in any advertising as a utilitarian advantage, explicitly or implicitly. If a seller advertises the utilitarian advantages of a particular feature or design, this weighs in favor of finding that design or feature is functional; and
- (4) The design's method of manufacture. In considering this factor, you may examine whether the particular design or feature result from a relatively simple or inexpensive method of manufacture. If the design or feature is a result of a particularly economical production method, this weighs in favor of finding the design or feature is functional.

[The plaintiff has the burden of proving non-functionality by a preponderance of the evidence [in order to show that the trade dress is valid and protected from infringement].]

Comment

It is reversible error to fail to give an instruction defining non-functionality in a trade dress case. *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 842–43 (9th Cir.1987).

Functionality is a question of fact. *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 613 (9th Cir.1989).

For a description of the four-factor test of functionality, see *Disc Golf Ass'n v. Champion Discs, Inc.*, 158 F.3d 1002, 1006–09 (9th Cir.1998). See also *International Jensen v. Metrosound U.S.A.*, 4 F.3d 819, 822–23 (9th Cir.1993) (setting forth a three-factor test).

Functionality usually arises in cases of nonword symbols, such as designs or container shapes. In the Ninth Circuit, functionality involves measuring the effect of a design or physical detail in the marketplace. A functional design has aesthetic appeal, or increases the utility or practicality of the product, or saves the consumer or producer time or money. See *Fabrica, Inc. v. El Dorado Corp.*, 697 F.2d 890 (9th Cir.1983); *Pagliero v. Wallace China Co.*, 198 F.2d 339 (9th Cir.1952).

Elements of alleged trade dress should be viewed as a whole. See *Rachel v. Banana Republic, Inc.*, 831 F.2d 1503, 1506 (9th Cir.1987); *Fuddruckers*, 826 F.2d at 842 (9th Cir.1987) (trade dress protection appropriate for "a combination of visual elements that taken together may create a distinctive impression").

If features of claimed trade dress are all functional, plaintiff must show that the features are combined together in a nonfunctional way to avoid finding of functionality. *HWE, Inc. v. JB Research, Inc.*, 993 F.2d 694, 696 (9th Cir.1993).

In the Ninth Circuit, the plaintiff bears the burden of proving nonfunctionality. See *Sega Enterprises Ltd., v. Accolade, Inc.*, 977 F.2d 1510, 1530–31 (9th Cir.1992) (non-functionality is a question of fact, which the plaintiff bears the burden of proving); *Rachel v. Banana Republic, Inc.*, 831 F.2d 1503, 1506 (9th Cir.1987) ("we have placed the burden of proof on the plaintiff"). However, in some circuits functionality is treated as an affirmative defense. See, e.g., *Vaughan Mfg. Co. v. Brikam Int'l*, 814 F.2d 346, 349 (7th Cir.1987); *Stormy Clime Ltd. v. ProGroup, Inc.*, 809 F.2d 971, 974 (2d Cir.1987).

Further Comments: *Meaning of Functionality; "De Facto" and "De Jure" Functionality.*

18.11 INFRINGEMENT—ELEMENTS—OWNERSHIP—GENERALLY

The law entitles the trademark owner to exclude others from using that trademark .

A person acquires the right to exclude others from using a trademark by being the first to use it in the marketplace.

[If you find the plaintiff's [describe trademark] to be valid [that is, [inherently distinctive]] you must consider whether the plaintiff used the [describe trademark] as a trademark for plaintiff's [identify the plaintiff's product] before the defendant began to use the [describe trademark] to market its [identify the defendant's product] in the area where the plaintiff sells its [identify plaintiff's product].]

[A trademark is "used" for purposes of this instruction when it is transported or sold in commerce and the trademark is attached to the product, or placed on its label or container [or if that is not practical, placed on documents associated with the goods or their sale].

[If you find by a preponderance of the evidence that the plaintiff has not shown that the plaintiff used [describe trademark] before the defendant's use of [describe trademark], then you cannot conclude that the plaintiff is the owner of the trademark [for purposes of Instruction [insert number of instruction regarding Trademark Infringement—Elements—Presumed Validity & Ownership—Registered Marks, e.g., 18.6].]

Comment

In trademark law, the standard test of ownership is priority of use. *See Sengoku Works Ltd. v. RMC Int'l Ltd.*, 96 F.3d 1217, 1219 (9th Cir.1996). "To acquire ownership of a trademark it is not enough to have invented the mark first or even to have registered it first; the party claiming ownership must have been the first to actually use the mark in the sale of goods or services." *Id.* *See also United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) ("the right to a particular mark grows out of its use, not its mere adoption"); *Brookfield Communications v. West Coast*, 174 F.3d 1036, 1047 (9th Cir.1999).

Sometimes it is necessary for the court to place before the jury the issue of mark ownership. Where the jury is to determine the ownership of a mark between manufacturer and distributor, see *Sengoku Works Ltd. v. RMC Int'l Ltd.*, 96 F.3d 1217, 1219 (9th Cir.1996) (reviewing jury instructions and factors for determining such mark ownership.) *See* Comment following Instruction 18.14 (Trademark Ownership—Merchant or Distributor).

See also Instruction 18.13 (Trademark Ownership—Licensee). In such a case, this instruction should be revised accordingly.

Modification of Instruction

This instruction is for use in a case involving an inherently distinctive mark. It reflects the traditional concept that trademark rights belong to the party who first makes an actual use of the trademark in business. *See Rolley v. Younghusband*, 204 F.2d 209 (9th Cir.1953).

However, if the trademark at issue is not inherently distinctive (but its validity was shown by proof of it acquiring secondary meaning), this instruction is not appropriate. In such a case, priority is established by the party who first uses the mark with secondary meaning. Accordingly, the plaintiff must prove the

existence of secondary meaning in its trademark at the time and place that the junior user first began use of that mark. *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794 (9th Cir.1970).

In cases where the validity of the trademark is a result of its acquiring secondary meaning (e.g., a descriptive mark with secondary meaning), add the following in lieu of the third and fourth paragraphs:

If the plaintiff's [*describe trademark*] is not inherently distinctive, but the plaintiff has shown that the trademark is descriptive and that the trademark has acquired secondary meaning, the plaintiff has the burden of showing by a preponderance of the evidence that the plaintiff's [*describe trademark*] had gained secondary meaning before the defendant first began to use the [*describe trademark*].

Further Comments: *Ownership and Intent to Use; Licensor Ownership; Ownership in False Advertising Context.*

18.12 TRADEMARK OWNERSHIP—ASSIGNEE (15 U.S.C. § 1060)

The owner of a trademark may [transfer] [sell] [give] to another the owner's interest in the trademark], that is, the right to exclude others from using the mark. This [transfer] [sale] [gift] is called an assignment, and the person to whom this right is assigned is called an assignee.

[The assignment must be in writing and signed.] To be enforceable, the assignment must include the goodwill of the business connected with the mark.

An assignee may enforce this right to exclude others in an action for [infringement] [or] [*insert applicable form of unfair competition from 15 U.S.C. § 1125(a)*].

[Plaintiff is an assignee.]

Comment

"The purpose behind requiring that goodwill accompany the assigned mark is to maintain the continuity of the product or service symbolized by the mark and thereby avoid deceiving or confusing customers." *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1289 (9th Cir.1992). Whether goodwill is transferred is a factual issue. *Id.*

For transfer of goodwill requirement, see 2 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 18:2 (4th ed. 2001).

In a case brought under the Lanham Act, a signed writing is necessary for an assignment to be valid. 15 U.S.C. § 1060. A signed writing is not required to prove an assignment in a common law trademark infringement claim. MCCARTHY, *supra*, at § 18:11.

18.13 TRADEMARK OWNERSHIP—LICENSEE

The owner of a trademark may enter into an agreement that permits another person to use the trademark]. This type of agreement is called a license, and the person permitted to use the [trademark] is called a licensee.

A license agreement may include the right to exclude others from using the trademark]. A licensee may enforce this right to exclude others in an action for [infringement] [or] [*insert applicable form of unfair competition from 15 U.S.C. § 1125(a)*].

[The plaintiff is a licensee.]

Comment

Although 15 U.S.C. § 1060 requires that assignments be written, a license can be oral.

In licensing trademark rights, the owner may include the right to sue for trademark infringement . The licensee's right to sue originates from the license and is governed by the terms of the licensing agreement. *See DEP Corp. v. Interstate Cigar Co.*, 622 F.2d 621 (2d Cir.1980) (Because the plaintiff was not the owner of the trademark, it did not have standing to sue under the Lanham Act. Any interests the plaintiff had in the matter were governed by the terms of the licensing agreement.). *See also Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154, 157 (1st Cir.1977) (the license granted the licensee "the right to enforce the licensed trademark rights against infringers in the United States").

18.14 TRADEMARK OWNERSHIP—MERCHANT OR DISTRIBUTOR

A [merchant] [distributor] may own a trademark that identifies products the [merchant] [distributor] sells even though the products are manufactured by someone else.

Comment

When a dispute arises between a manufacturer and distributor, the Courts first look to any agreement between the parties regarding trademark rights. *Sengoku Works Ltd. v. RMC Int'l Ltd.*, 96 F.3d 1217, 1220–21 (9th Cir.1996). In the absence of an agreement, the manufacturer is presumed to own the trademark. *Id.* However, this presumption can be rebutted. The following factors may be considered:

- (1) which party invented and first affixed the mark on to the product;
- (2) which party's name appeared with the trademark;
- (3) which party maintained the quality and uniformity of the product;
- (4) which party does the public identify with the product and make complaints to; and
- (5) which party possesses the good will associated with the product.

See Sengoku Works Ltd, 96 F.3d at 1220–1221 (citing *Omega Nutrition v. Spectrum Marketing*, 756 F.Supp. 435, 438–39 (N.D.Cal.1991) and *Premier Dental Products v. Darby Dental Supply Co.*, 794 F.2d 850, 853–54 (3d Cir.1986)).

**18.15 INFRINGEMENT—ELEMENTS—LIKELIHOOD OF
CONFUSION—FACTORS—*SLEEKRAFT* TEST (15 U.S.C. §§ 1114(1) AND 1125(A))**

You must consider whether the defendant's use of the trademark is likely to cause confusion about the source of the plaintiff's or the defendant's goods.

I will suggest some factors you should consider in deciding this. The presence or absence of any particular factor that I suggest should not necessarily resolve whether there was a likelihood of confusion, because you must consider all relevant evidence in determining this. As you consider the likelihood of confusion you should examine the following:

1. **STRENGTH OR WEAKNESS OF THE PLAINTIFF'S MARK.** The more the consuming public recognizes the plaintiff's trademark as an indication of origin of the plaintiff's goods, the more likely it is that consumers would be confused about the source of the defendant's goods if the defendant uses a similar mark.
2. **DEFENDANT'S USE OF THE MARK.** If the defendant and plaintiff use their trademarks on the same, related, or complementary kinds of goods there may be a greater likelihood of confusion about the source of the goods than otherwise.
3. **SIMILARITY OF PLAINTIFF'S AND DEFENDANT'S MARKS.** If the overall impression created by the plaintiff's trademark in the marketplace is similar to that created by the defendant's trademark in [appearance] [sound] or [meaning], there is a greater chance [that consumers are likely to be confused by defendant's use of a mark] [of likelihood of confusion]. [Similarities in appearance, sound or meaning weigh more heavily than differences in finding the marks are similar].
4. **ACTUAL CONFUSION.** If use by the defendant of the plaintiff's trademark has led to instances of actual confusion, this strongly suggests a likelihood of confusion. However actual confusion is not required for a finding of likelihood of confusion. Even if actual confusion did not occur, the defendant's use of the trademark may still be likely to cause confusion, you may conclude that the amount of actual confusion was not substantial. As you consider whether the trademark used by the defendant creates for consumers a likelihood of confusion with the plaintiff's trademark, you should weigh any instances of actual confusion against the opportunities for such confusion. If the instances of actual confusion have been relatively frequent, you may find that there has been substantial actual confusion. If, by contrast, there is a very large volume of sales, but only a few isolated instances of actual confusion you may find that there has not been substantial actual confusion.
5. **DEFENDANT'S INTENT.** Knowing use by defendant of the plaintiff's trademark to identify similar goods may strongly show an intent to derive benefit from the reputation of the plaintiff's mark, suggesting an intent to cause a likelihood of confusion. On the other hand, even in the absence of proof that the defendant acted knowingly, the use of plaintiff's trademark to identify similar goods may indicate a likelihood of confusion.
6. **MARKETING/ADVERTISING CHANNELS.** If the plaintiff's and defendant's (goods) (services) are likely to be sold in the same or similar stores or outlets, or advertised in similar media, this may increase the likelihood of confusion.
7. **PURCHASER'S DEGREE OF CARE.** The more sophisticated the potential buyers of the goods or the more costly the goods, the more careful and discriminating the reasonably

prudent purchaser exercising ordinary caution may be. They may be less likely to be confused by similarities in the plaintiff's and defendant's trademarks

8. PRODUCT LINE EXPANSION. When the parties' products differ, you may consider how likely the plaintiff is to begin selling the products for which the defendant is using the plaintiff's trademark. If there is a strong possibility of expanding into the other party's market, there is a greater likelihood of confusion.
- [9. OTHER FACTORS. Any other factors that bear on likelihood of confusion.]

Comment

The Ninth Circuit has reaffirmed the validity of the eight-factor test from *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir.1979), that is covered in this instruction. *See Dr. Seuss Enterprises, L.P. v. Penguin Books*, 109 F.3d 1394, 1404 n. 13 (9th Cir.1997) (Ninth Circuit uses eight-factor *Sleekcraft* test covered in paragraphs 1–8 of this instruction "simply to be over-inclusive"). Subsequent tests were not intended to negate any of the *Sleekcraft* factors. *See E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1290–91 (9th Cir.1992); *Eclipse Associates Ltd. v. Data General Corp.*, 894 F.2d 1114, 1117 (9th Cir.1990); *Accuride Int'l, Inc. v. Accuride Corp.*, 871 F.2d 1531, 1534 & n. 1 (9th Cir.1989) (*Sleekcraft*'s "list of factors, while perhaps exhausting, is neither exhaustive nor exclusive. Rather, the factors are intended to guide the court in assessing the basic question of likelihood of confusion. The presence or absence of a particular factor does not necessarily drive the determination of a likelihood of confusion." (footnote and citation omitted)).

However, the Ninth Circuit has set forth a variety of tests for determining the likelihood of confusion. *See, e.g., Academy of Motion Picture Arts & Sciences v. Creative House Promotions, Inc.*, 944 F.2d 1446, 1454 n. 3 (9th Cir.1991); *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1179 (9th Cir.1988) (six-factor test covered by paragraphs one through six of this instruction); *Rodeo Collection Ltd. v. West Seventh*, 812 F.2d 1215, 1217 (9th Cir.1987) (five-factor test covered by paragraphs one through five of this instruction); *J.B. Williams Co. v. Le Conte Cosmetics, Inc.*, 523 F.2d 187, 191 (9th Cir.1975), *cert. denied*, 424 U.S. 913 (1976) (six-factor test covered by paragraphs one through six of this instruction).

The Ninth Circuit has observed that "the contents of these tests are interchangeable." *Ocean Garden, Inc. v. Marktrade Co., Inc.*, 953 F.2d 500, 506 n. 2 (9th Cir.1991); *Eclipse Associates Ltd. v. Data General Corp.*, 894 F.2d 1114, 1117–1118 (9th Cir.1990) ("The Ninth Circuit enumerated likelihood of confusion tests as helpful guidelines to the district courts. These tests were not meant to be requirements or hoops that a district court need jump through to make the determination.... [W]e have identified a non-exclusive series of factors that are helpful in making the ultimate factual determination of likelihood of confusion."). *See also, Wolfard Glassblowing Co. v. Vanbragt*, 118 F.3d 1320, 1323 (9th Cir.1997).

In applying the eight-factor *Sleekcraft* test, 599 F.2d at 348–49, some factors may weigh more heavily in a finding of likelihood of confusion. *See Brookfield Communications v. West Coast Entertainment*, 174 F.3d 1036, 1054 (9th Cir.1999) ("A word of caution: This eight-factor [*Sleekcraft*] test for likelihood of confusion is pliant. Some factors are much more important than others, and the relative importance of each individual factor will be case-specific."). Because these lists are "neither exhaustive nor exclusive," *Gallo*, 967 F.2d at 1290, a ninth element has been included.

The committee recommends that the judge instruct only on the factors that are relevant in the particular case presented to the jury. *See Brookfield Communications v. West Coast Entertainment*, 174 F.3d 1036, 1054 (9th Cir.1999) ("it is often possible to reach a conclusion with respect to likelihood of confusion after considering only a subset of the [*Sleekcraft*] factors ... which do] not purport to be exhaustive, and non-listed variations may often be quite important."); *Metro Pub., Ltd. v. San Jose Mercury News*, 987 F.2d

637, 640 (9th Cir.1993) ("Because each factor [of eight-factor *Sleekcraft* test] is not necessarily relevant to every case, this list functions as a guide and is 'neither exhaustive nor exclusive.' " (citations omitted)). See also *Apple Computer, Inc. v. Formula Int'l, Inc.*, 725 F.2d 521, 526 (9th Cir.1984).

A jury should be warned not to focus on any one factor and to consider all relevant evidence in assessing likelihood of confusion, by use of the second paragraph in this instruction. See *Kendall-Jackson Winery v. E. & J. Gallo Winery*, 150 F.3d 1042, 1052, n. 13 (9th Cir.1998) (elaborating further on instructions on *Sleekcraft* factors dealing with defendant's intent to cause confusion and causing actual confusion.).

Further Comments: *Meaning of "Likelihood" of Confusion; Alternatives to Source Confusion; Similarity of Marks; Actual Confusion; Initial Interest Confusion; Initial Interest Confusion & Sleekcraft Factors. Celebrity Endorsement Confusion Cases; Internet Service Cases.*

18.16 LIKELIHOOD OF CONFUSION—FACTOR—STRENGTH OR WEAKNESS [DISTINCTIVENESS] OF TRADEMARK

Strength as a Likelihood of Confusion Factor

How [strongly] [distinctively] a trademark indicates that a good comes from a [particular] [specific] source [even if unknown] is an important factor to consider in [Instruction *insert number of instruction regarding Likelihood of Confusion, e.g., 18.15* (*Likelihood of Confusion—Factors—Sleekcraft Test*)] for determining whether the trademark used by the defendant creates for consumers a likelihood of confusion with the plaintiff's mark.

The plaintiff asserts [*insert claimed trademark*] is a trademark for its [*insert good or service or business*]. The plaintiff contends the defendant's use of [those] [similar] words in connection with the defendant's [*insert defendant's product or service or business*] [[infringes plaintiff's trademark] [and] [is likely to cause confusion about the origin of [goods] [services] [business] associated with that trademark.]]

Spectrum of Marks

Trademark law provides great protection to distinctive or strong trademarks. Conversely, trademarks not as distinctive or strong are called "weak" trademarks and receive less protection from infringing uses. Trademarks that are not distinctive are not entitled to any trademark protection. For deciding trademark protectability, trademarks are grouped into four categories according to their relative [strength] [distinctiveness]. These four categories are, in order of strength or distinctiveness: arbitrary, suggestive, descriptive and generic trademarks.

Arbitrary Marks. The first category is "inherently distinctive" trademarks. They are considered strong trademarks and are clearly protectable. They involve the arbitrary, fanciful or fictitious use of a word to designate the source of a [product] [service]. Such a trademark is a word that in no way describes or has any relevance to the particular [product] [service] it is meant to identify. It may be a common word used in an unfamiliar way. It may be a newly created (coined) word or parts of common words that are applied in a fanciful, fictitious or unfamiliar way, solely as a trademark.

For instance, the common word "apple" became a strong and inherently distinctive trademark when used by a company to identify the personal computers that company sold. The company's use of the word "apple" was arbitrary or fanciful because "apple" did not describe and was not related to what the computer was, its components, ingredients, quality, or characteristics. "Apple" was being used in an arbitrary way to designate for consumers that the computer comes from a particular manufacturer or source.

Suggestive Marks. The next category of trademarks is suggestive marks. These trademarks are also inherently distinctive but are considered weaker than arbitrary trademarks. Unlike arbitrary trademarks, [which are in no way related to what the [product] [service] is or its components, quality, or characteristics,] suggestive trademarks suggest some characteristic or quality of the [product] [service] to which they are attached. If the consumer must use imagination or any type of multi-stage reasoning to understand the trademark's significance, then the trademark does not describe the product's features, but suggest them.

A suggestive use of a word involves consumers associating the qualities the word suggests to the [product] [service] to which the word is attached. For example, when "apple" is used not to indicate a certain company's computers, but rather "Apple-A-Day" Vitamins, it is being used as a suggestive trademark. "Apple" does not describe what the vitamins are. However, consumers may come to associate the healthfulness of "an apple a day keeping the doctor away" with the supposed benefits of taking "Apple-A-Day" Vitamins.

Descriptive Marks. The third category of trademarks is descriptive trademarks. These marks directly identify or describe some aspect, characteristic, or quality of the [product] [service] to which they are affixed in a straightforward way that requires no exercise of imagination to be understood.

For instance, the word "apple" is descriptive when used in the trademark "CranApple" to designate a cranberry-apple juice. It directly describes ingredients of the juice. Other common types of descriptive trademarks identify where a [product] [service] comes from, or the name of the person who makes or sells the [product] [service]. Thus, the words "Apple Valley Juice" affixed to cider from the California town of Apple Valley is a descriptive trademark because it geographically describes where the cider comes from.

Generic Marks. The fourth category of trademarks is entitled to no protection at all. They are called generic trademarks and they give the general name of the product of the plaintiff. They are part of our common language that we need to identify all such similar products. They are the common name for the product to which they are affixed. It is the general name for which the particular product or service is an example.

It is generic if the term answers the question "what is the product being sold?" If the average [relevant] consumer would identify the term with all such similar products, regardless of the [manufacturer] [provider], the term is generic and not entitled to protection as a trademark.

Clearly, the word apple can be used in a generic way and not be entitled to any trademark protection. This occurs when the word is used to identify the fleshy, red fruit from any apple tree.

The computer maker who uses that same word to identify the personal computer, or the vitamin maker who uses that word on vitamins, has no claim for trademark infringement against the grocer who used that same word to indicate the fruit sold in a store. As used by the grocer, the word is generic and does not indicate any particular source of the product. As applied to the fruit, "apple" is simply the common name for what it is that is being sold.

Secondary Meaning and Mark Strength

[If you determine a trademark is weak—that is, suggestive or descriptive, you must consider the recognition that the mark has among prospective purchasers. This market recognition is called the trademark's "secondary meaning." *[Insert second and third unnumbered paragraphs as well as numbered paragraphs one through eight of Instruction 18.9 (Infringement—Elements—Validity—Distinctiveness—Secondary Meaning).]*

[If a suggestive trademark has such secondary meaning, it becomes stronger. If it has developed no secondary meaning, it remains a weak trademark.]

[On the other hand, descriptive trademarks are protectable only to the extent you find they acquired distinctiveness [through secondary meaning] [by the public coming to associate the mark with [the owner of the mark] [a particular source]]. Descriptive trademarks are entitled to a protection only as broad as the secondary meaning they have acquired, if any. If they have acquired no secondary meaning, they are entitled to no protection.]

Comment

This instruction was designed for assessing the strength of a trademark in the likelihood of confusion context. For strength of trademark analysis in the context of a mark validity determination, see

Instruction 18.8 (Validity—Unregistered Mark—Distinctiveness). Modify this instruction as necessary in any case involving service marks, collective trade or service marks, or certification trade or service marks, by inserting such terms in lieu of the word "trademark" in this instruction.

This instruction sets forth a two prong test of mark strength. The second prong of the test is in the last three paragraphs of the instruction (under the heading: "Secondary Meaning and Mark Strength"). If the judge determines that a traditional one-prong test (placing the mark on a spectrum of strength) is more appropriate, the last three bracketed paragraphs of this instruction should be deleted.

Since 1988, the Ninth Circuit has utilized a two-prong test of mark strength. *See GoTo.com, Inc. v. Walt Disney Company*, 202 F.3d 1199, 1207 (9th Cir.2000) (" 'strength' of the trademark is evaluated in terms of its conceptual strength and commercial strength"). *See also Accuride Int'l, Inc. v. Accuride Corp.*, 871 F.2d 1531, 1536 (9th Cir.1989); *Miss World (UK) Ltd. v. Mrs. America Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir.1988) (approving placement on spectrum of distinctiveness as well as strength in the marketplace); *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1179 (9th Cir.1988) (listing factors demonstrating marketplace strength).

Generally, use of the second prong is appropriate in cases of descriptive or suggestive marks. *See, e.g., Filipino Yellow Pgs. v. Asian Journal Publications*, 198 F.3d 1143, 1147–48 (9th Cir.1999) (if mark is descriptive, it is protectable if it has acquired secondary meaning); *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir.1992) (A personal name used as a trademark generally is not inherently distinctive; however if secondary meaning is acquired, a personal name mark is treated as a strong, distinctive mark.).

This instruction is designed to supplement Instruction 18.15 (*Infringement—Elements—Likelihood of Confusion—Factors—Sleekcraft Test*) by explaining how one *Sleekcraft* factor—strength of mark—is determined. Traditionally, the question of mark strength arises in determining either (a) likelihood of confusion in a trademark infringement action or (b) issues of trademark validity issues. *See, e.g., J.B. Williams Co. v. Le Conte Cosmetics, Inc.*, 523 F.2d 187, 192 (9th Cir.1975), *cert. denied*, 424 U.S. 913 (1976).

In deciding whether there is a likelihood of confusion, an important consideration is whether the trademark seeking protection is "strong" or "weak." *Id. But see GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1208 (9th Cir.2000) (in the Internet context, strength of mark is not of much importance); *Brookfield Communications v. West Coast*, 174 F.3d 1036, 1059 (9th Cir.1999) (same).

A mark's strength is equivalent to its distinctiveness. *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir.1992).

For strength of trade dress this instruction may not be helpful. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *Fuddrucker's, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837 (9th Cir.1987); Dillon, *Two Pesos: More Interesting for What it Does Not Decide*, 83 TRADEMARK REP. 77 (1993). *See also*, Comment to Instruction 18.8 (*Infringement—Elements—Validity—Unregistered Mark—Distinctiveness*).

This instruction sets out the traditional spectrum of marks. *See, e.g., Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. at 768 ("Marks are often classified in categories of generally increasing distinctiveness; following the classical formulation.... [T]hey may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful."); *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 210–211 (2000); *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir.1992) ("The strength of a mark is determined by its placement on a 'continuum of marks from "generic," afforded no

protection; through "descriptive" or "suggestive," given moderate protection; to "arbitrary" or "fanciful" awarded maximum protection.' ") (quoting *Nutri/System, Inc. v. Con-Stan Industries, Inc.*, 809 F.2d 601, 605 (9th Cir.1987)); *Surgicenters of America, Inc. v. Medical Dental Surgeries Co.*, 601 F.2d 1011, 1014 (9th Cir.1979) ("The cases identify four categories of ... trademark protection: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful."). See also *Kendall-Jackson Winery v. E. & J. Gallo Winery*, 150 F.3d 1042, 1047 (9th Cir.1998) (setting forth the categories of distinctiveness and describing criteria for each category).

The examples of the multiple strengths of the word "apple" given in this instruction when used on a variety of different products are based on an example in 2 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 11.17 (4th ed. 2001). See also *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1041 (2d Cir.1992).

The weight of authority in the Ninth Circuit is that even though a mark has become incontestable, this status does not necessarily mean that it is a strong mark. See *Miss World (UK) Ltd. v. Mrs. America Pageants*, 856 F.2d 1445, 1449 (9th Cir.1988). But see *Brookfield Communications v. West Coast*, 174 F.3d 1036, 1047 n. 10 (9th Cir.1999) (That a federally registered trademark is incontestable means "that its validity and legal protectability" and the registrant's ownership in the mark "are all conclusively presumed," subject to certain defenses (citation omitted)). However, if an incontestable mark is involved, it may be improper to include paragraphs concerning the descriptive range of the spectrum. Incontestability precludes a challenge to the mark based on an assertion that the mark is not inherently distinctive (e.g., is merely descriptive or misdescriptive, primarily geographically descriptive or misdescriptive, or primarily merely a surname) and lacks secondary meaning.

18.17 DERIVATIVE LIABILITY—INDUCING INFRINGEMENT

A person is liable for trademark] infringement by another if the person intentionally induced another to infringe the trademark].

The plaintiff has the burden of proving each of the following by a preponderance of the evidence:

1. [name of direct infringer] infringed the plaintiff's trademark];
2. defendant intentionally induced [name of direct infringer] to infringe plaintiff's trademark];
3. plaintiff was damaged by the infringement.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

Regarding liability for inducing another to infringe a trademark, see *Inwood Lab. v. Ives Lab.*, 456 U.S. 844, 853–54 (1982) ("[I]f a manufacturer or distributor intentionally induces another to infringe a trademark, or if it continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringement, the manufacturer is contributorily responsible for any harm done as a result of the deceit [by the direct infringer]."). See also *Lockheed Martin Corp. v. Network Solutions, Inc.*, 194 F.3d 980, 983–84 (9th Cir.1999) (one branch of contributory infringement occurs when defendant "intentionally induces a third party to infringe the plaintiff's mark"); *Sealy, Inc. v. Easy Living, Inc.*, 743 F.2d 1378, 1382 (9th Cir.1984) (One who intentionally induces another to infringe a trademark or supplies, knowing or having reason to know the materials supplied will be used to infringe a trademark, is contributorily liable for trademark infringement.).

18.18 DERIVATIVE LIABILITY—CONTRIBUTORY INFRINGEMENT

A person is liable for trademark] infringement by another if the person [sells] [supplies] goods to another knowing or having reason to know that the other person will use the goods to infringe the plaintiff's trademark].

The plaintiff has the burden of proving each of the following by a preponderance of the evidence:

1. the defendant [sold] [supplied] goods to [name of direct infringer];
2. [name of direct infringer] used the goods the defendant [sold] [supplied] to infringe the plaintiff's trademark];
3. the defendant knew or should have known [name of direct infringer] would use the goods to infringe plaintiff's trademark]; and
4. the plaintiff was damaged by the infringement.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

See Comment following Instruction 18.17 (Inducing Infringement—Elements and Burden of Proof).

Regarding the elements of contributory infringement, see *Lockheed Martin Corp. v. Network Solutions, Inc.*, 194 F.3d 980, 984–85 (9th Cir.1999) (elements of contributory infringement); *Rolex Watch, U.S.A., Inc. v. Michel Co.*, 179 F.3d 704, 712–13 (9th Cir.1999) (intent element of contributory infringement). See also *Mini Maid Servs. Co. v. Maid Brigade Sys.*, 967 F.2d 1516, 1521 (11th Cir.1992) (although *Inwood Laboratories v. Ives Laboratories, Inc.*, 456 U.S. 844 (1982), involved relationship between manufacturers and retailers, its analysis is equally applicable to relationship between franchisor and franchisees).

This instruction should be modified when the case does not involve the provision of a product. See *Lockheed Martin Corp. v. Network Solutions, Inc.*, 194 F.3d 980, 984–85 (9th Cir.1999) (determining that an Internet address registrar's publication of a web domain name was not contributing to infringement of plaintiff's mark by parties using plaintiff's trademark in web address; where defendant does not supply or sell the infringer goods or products, "we consider the extent of control exercised by the defendant over the third party's means of infringement ... Direct control and monitoring of the instrumentality used by a third party to infringe" permits treatment of a defendant who provides a service, for instance, liable for contributory infringement.). See also *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 265 (9th Cir.1996) (flea market liable for contributory infringement if it supplied the necessary market place for the sale of infringing products); *Hard Rock Cafe Licensing Corp. v. Concession Servs.*, 955 F.2d 1143, 1148 (7th Cir.1992) ("[I]t is not clear how the doctrine applies to people who do not actually manufacture or distribute the good that is ultimately palmed off as made by someone else. A temporary help service, for example, might not be liable if it furnished ... the workers (the direct infringer) employed to erect his stand, even if the help service knew that (the direct infringer) would sell counterfeit goods.").

See 4 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 25.17 (4th ed. 2001)
(discussion of contributory infringement).

18.19 DEFENSES—ABANDONMENT—AFFIRMATIVE DEFENSE—DEFENDANT'S BURDEN OF PROOF (15 U.S.C. § 1127)

The [owner] [assignee] [licensee] of a trademark] cannot exclude others from using the trademark] if it has been abandoned.

The defendant contends that the trademark] has become unenforceable because the [owner] [assignee] [licensee] abandoned it. The defendant has the burden of proving abandonment by [clear and convincing] [a preponderance of the] evidence.

The [owner] [assignee] [licensee] of a trademark] abandons the right to exclusive use of the trademark] when the [owner] [assignee] [licensee]:

1. discontinues its use in the ordinary course of trade, intending not to resume using it, or
2. [acts] [or] [fails to act] so that the trademark's [primary significance] [primary meaning] [principal significance] [principal meaning] to prospective purchasers has become the [product] [service] itself and not the [[producer of the product] [provider of the service]].

Comment

No Ninth Circuit case clearly describes the standard of proof required to prove abandonment. For instance, *Prudential Ins. Co. v. Gibraltar Financial Corp.*, 694 F.2d 1150, 1156 (9th Cir.1982), *cert. denied*, 463 U.S. 1208 (1983), characterized abandonment as "in the nature of a forfeiture" which "must be strictly proved." Such forfeiture required demonstration by "a high burden of proof." *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1017 (9th Cir.1985) (citing *Edwin K. Williams & Co. v. Edwin K. Williams & Co.-East*, 542 F.2d 1053, 1059 (9th Cir.1976), *cert. denied*, 433 U.S. 908 (1977)).

Scholars note that except for the Federal Circuit, "all" courts follow a clear and convincing standard of proof of abandonment. *See* 2 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION, § 17.18 (4th ed. 2001). *See also* Fletcher, Anthony L. and David J. Kera, *Annual Review*, 85 TRADEMARK REP. 607, 724–25 (1995).

Abandonment is defined in 15 U.S.C. § 1127, paragraph 16. *See also* 2 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION, § 17.18 (4th ed. 2001). Evidence of non-use of the mark for three consecutive years is prima facie evidence of abandonment. *See* 15 U.S.C. § 1127; *Abdul-Jabbar v. General Motors Corp.*, 85 F.3d 407, 411–12 (9th Cir.1996) (prima facie showing of abandonment creates only a rebuttable presumption of abandonment).

The defendant has the burden of proving abandonment. Where the defendant proves the necessary consecutive years of non-use, the burden shifts to the plaintiff to go forward with evidence to prove that circumstances do not justify the inference of intent not to resume use. *Exxon Corp. v. Humble Exploration Co.*, 695 F.2d 96, 99 (5th Cir.1983).

The abandonment defense has never been applied to a person's name or identity. *See Abdul-Jabbar*, 85 F.3d at 411–12 (declining to stretch the federal law of trademark to encompass such a defense). "A proper name ... cannot be deemed 'abandoned' throughout its possessor's life despite his failure to use it or to continue to use it, commercially." *Id.*

18.20 DEFENSES—CONTINUOUS PRIOR USE WITHIN REMOTE GEOGRAPHIC AREA—AFFIRMATIVE DEFENSES (15 U.S.C. § 1115(B)(5))

An owner of a registered trademark may not exclude others who began using [that] [a confusingly similar] trademark in a geographic area, without knowledge of the owner's prior use of [the] [a similar] trademark elsewhere, and before the owner had [applied for registration of the] [registered the] [published the registered] trademark.

The defendant contends that defendant has the right to use the trademark] within the [*specify geographic region*] area.

The defendant has the burden of proving each of the following by a preponderance of the evidence:

1. the [defendant] [defendant's assignor] [defendant's licensor] continuously used the trademark], without interruption, in [*geographic region where defendant claims prior use*];
2. the [defendant] [defendant's assignor] [defendant's licensor] began using the trademark] without knowledge of the plaintiff's prior use elsewhere; and
3. the defendant used the trademark] before the plaintiff [applied for registration of the] [registered the] [published the registered] trademark].

Comment

Even if marks are precisely identical, there may be no infringement if the marks are in different geographic areas. *See Brookfield Communications v. West Coast Entertainment*, 174 F.3d 1036, 1054–55 (9th Cir.1999) (approving tacking of one use of a trademark with another use).

The defendant has the burden of pleading and proving the elements of this defense. *See Philip Morris, Inc. v. Imperial Tobacco Co.*, 251 F.Supp. 362, 379 (E.D.Va.1965), *aff'd*, 401 F.2d 179 (4th Cir.1968), *cert. denied*, 393 U.S. 1094 (1969); 4 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 26.44 (4th ed. 2001).

"Continuous" means lack of interruption. *See Casual Corner Associates, Inc. v. Casual Stores of Nevada, Inc.*, 493 F.2d 709, 712 (9th Cir.1974).

The dimensions of the geographic area are a question of fact, determined in terms of the relevant zones of sales, advertising, and reputation as of the date of plaintiff's registration. *Consolidated Freightways Corp. v. Consolidated Forwarding, Inc.*, 156 U.S.P.Q. 99 (N.D.Ill.1967). *See also* MCCARTHY, *supra*, § 26:44.

18.21 DEFENSES—NOMINATIVE FAIR USE

The [owner] [assignee] [licensee] of a trademark cannot exclude others from making a fair use of that trademark. One makes fair use of a mark when one uses it as other than a trademark, to accurately [describe] [name] [identify] [refer to] the plaintiff's product or services.

The defendant contends that it did not infringe the trademark because the alleged infringement constituted a fair use of the trademark to [describe] [name] [identify] [refer to] the plaintiff's product or services. The defendant has the burden of proving its fair use of the mark by clear and convincing evidence.

A defendant makes fair use of a trademark when the defendant:

1. uses the mark in connection with the plaintiff's [product] [service] which is not readily identifiable without use of the [trademark] [mark];
2. uses only so much of the [trademark] [mark] as was reasonably necessary to [identify] [describe] [name] [refer to] the [product] [service] in question; and
3. does not do anything that would, in conjunction with the trademark, suggest sponsorship or endorsement by the plaintiff.

[A product is not readily identifiable without use of the trademark when there are no equally informative words describing the product. A product cannot be effectively identified without use of its trademark when there would be no other effective way to compare, criticize, refer to or identify it without using the trademark.]

[A reasonably necessary use of a trademark occurs when no more of the mark's appearance (such as, for a trademark which is a word, the distinctive color, logo, abbreviation, or graphics used in displaying the trademark) is used than is necessary to identify the product and make the reference intelligible to the consumer.]

[A use of the trademark does not suggest sponsorship or endorsement by the trademark's owner when the defendant does not attempt to deceive, or mislead, or to capitalize on consumer confusion, or appropriate the cachet of one product for another.

[The fact that the defendant's use of the trademark may bring the defendant a profit or help in competing with the mark owner does not mean the use was not a fair use.]

Comment

The Ninth Circuit refers to fair use as being “nominative” or “classic.” The distinction between these and their effect is explored in *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 903-908 (9th Cir. 2003). This instruction applies only to nominative fair use. Application of nominative and classic fair use doctrines is complicated. A judge should consult Ninth Circuit decisions on fair use appearing after the publication date of this comment.

The test for nominative fair use is set out in *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992). See *Brother Records*, 318 F.3d at 908 (9th Cir. 2003) (*New Kids* “articulated the three requirements” of nominative fair use).

If a nominative fair use instruction is given, the court should also provide instruction on likelihood of confusion (Civil Instruction 18.15 Infringement - Elements - Likelihood of Confusion - Factors - *Sleekcraft* Test) in case the jury determines that nominative fair use was not proved.

Nominative fair use applies to a defendant using the plaintiff’s mark to describe the plaintiff’s product or service. See *New Kids*, 971 F.2d at 308. A finding that a defendant made nominative fair use of a mark operates as a complete defense. *Downing v. Abercrombie & Fitch*, 265 F.3d 994, 1009 (9th Cir. 2001). The Ninth Circuit explains that “nominative fair use analysis...replaces the likelihood of...confusion analysis set forth in *Sleekcraft*.” *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1151 (9th Cir. 2002). A *Sleekcraft* likelihood of confusion analysis (Instruction 18.15) is unnecessary because “*nominative use* of a mark – where the only word reasonably available to describe a particular thing is pressed into service – lies outside the strictures of trademark law.” *New Kids*, 971 F.2d at 308. Nominative fair use of a mark “does not implicate the source-identification function ...of [a] trademark...does not constitute unfair competition...[and] does not imply sponsorship or endorsement by the trademark holder,” so a likelihood of confusion analysis would be inapplicable. *Id.* See also, 3 J. McCarthy, Trademarks and Unfair Competition § 23.11 (4th ed. 2001) (test for defendant's use of plaintiff's mark to describe plaintiff's product).

**18.22 TRADEMARK DAMAGES—
ACTUAL OR STATUTORY NOTICE (15 U.S.C. § 1111)**

In order for plaintiff to recover damages, the plaintiff has the burden of proving by a preponderance of the evidence that defendant had either statutory or actual notice that the plaintiff's trademark was registered.

Defendant had statutory notice if:

- [1. plaintiff displayed with the trademark the words "Registered in U.S. Patent and Trademark Office"] [or]
- [2. plaintiff displayed with the trademark the words "Reg. U.S. Pat. & Tm. Off."] [or]
- [3. plaintiff displayed the trademark with the letter R enclosed within a circle, thus ®].

**18.23 TRADEMARK DAMAGES—
PLAINTIFF'S ACTUAL DAMAGES (15 U.S.C. § 1117(A))**

If you find for the plaintiff on the plaintiff's [infringement] [unfair competition] claim [and find that the defendant had statutory notice or actual notice of the plaintiff's registered trademark], you must determine the plaintiff's actual damages.

The plaintiff has the burden of proving actual damages by a preponderance of the evidence. Damages means the amount of money which will reasonably and fairly compensate the plaintiff for any [injury] [and] [or] [property damage] you find was caused by the defendant's infringement of the plaintiff's registered trademark. You should consider the following:

- (1) [The [injury to] [loss of] the plaintiff's reputation][;]
- (2) [The [injury to] [loss of] plaintiff's goodwill, including injury to the plaintiff's general business reputation][;]
- (3) [The lost profits that the plaintiff would have earned but for the defendant's infringement. Profit is determined by deducting all expenses from gross revenue][;]
- (4) [The expense of preventing customers from being deceived][;]
- (5) [The cost of future corrective advertising reasonably required to correct any public confusion caused by the infringement][;][and]
- (6) [Any other factors that bear on plaintiff's actual damages].

When considering prospective costs (e.g., cost of future advertising, expense of preventing customers from being deceived), you must not overcompensate. Accordingly, your award of such future costs should not exceed the actual damage to the value of the plaintiff's mark at the time of the infringement by the defendant.

Comment

Plaintiff must prove both the fact and the amount of damages. *See Intel Corp. v. Terabyte Int'l, Inc.*, 6 F.3d 614, 621 (9th Cir.1993) ; *Lindy Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1407 (9th Cir.1993).

Plaintiff's actual damages are measured by any direct injury that plaintiff proves and any lost profits plaintiff would have earned but for the infringement. *See Lindy Pen Co.*, 982 F.2d at 1407 (where proof of actual damage is difficult, a court may base damage award on defendant's profits, on a theory of unjust enrichment). However, the fact that the infringer did not profit from the infringement does not preclude an award of damages. *See Intel Corp.*, 6 F.3d at 621 (court determination of damages for mislabeling computer chips as those of faster manufacturer properly calculated by multiplying infringer's sales by plaintiff's lost profits and taking 95% of the product, based on inference that great majority of chips were counterfeit.)

For a general discussion of plaintiff's actual damages, see 5 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 30:72 (4th ed. 2001). *See also* 1a JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE § 8.08(2) (1996) (listing examples of recoverable damages).

To avoid the risk of overcompensation in the award of prospective costs, damage instructions should inform the jury that the award of prospective costs should not exceed the damage to the value of the infringed mark. *See Adray v. Adry-Mart, Inc.*, 76 F.3d 984, 989 (9th Cir.1995).

Defendant may argue that plaintiff's loss in sales may be caused by other market factors and not as a result of defendant's infringement. If defendant makes such an argument, an appropriate instruction should be drafted.

See Instructions 7.2 (Measure of Types of Damages), 7.3 (Damages—Mitigation), and 7.4 (Damages Arising in the Future—Discount to Present Cash Value).

18.24 TRADEMARK DAMAGES—DEFENDANT'S PROFITS (15 U.S.C. § 1117(A))

In addition to actual damages, the plaintiff is entitled to any profits earned by the defendant that are attributable to the infringement, which the plaintiff proves by a preponderance of the evidence. You may not, however, include in any award of profits any amount that you took into account in determining actual damages.

Profit is determined by deducting all expenses from gross revenue.

Gross revenue is all of defendant's receipts from using the trademark] in the sale of a [product]. The plaintiff has the burden of proving a defendant's gross revenue by a preponderance of the evidence.

Expenses are all [operating] [overhead] and production costs incurred in producing the gross revenue. The defendant has the burden of proving the expenses [and the portion of the profit attributable to factors other than use of the infringed trademark] by a preponderance of the evidence.

Unless you find that a portion of the profit from the sale of the [goods] using the [trademark] [mark] is attributable to factors other than use of the trademark], you shall find that the total profit is attributable to the infringement.

Comment

"Recovery of both plaintiff's lost profits and disgorgement of defendant's profits is generally considered a double recovery under the Lanham Act." *Nintendo of America, Inc. v. Dragon Pacific Int'l*, 40 F.3d 1007, 1010 (9th Cir.1994).

Regarding establishing and calculating defendant's profits, see *Lindy Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1405–08 (9th Cir.1993) ("The intent of the infringer is relevant evidence on the issue of awarding profits and damages and the amount;" determining that in order to establish damages under the lost profits method, plaintiff must make prima facie showing of reasonably forecast profits.); *Louis Vuitton S.A. v. Spencer Handbags Corp.*, 765 F.2d 966, 973 (2d Cir.1985) (defendant's own statements as to profits provided sufficient basis for calculation of defendant's profits under 15 U.S.C. § 1117(a)). See also *American Honda Motor Co. v. Two Wheel Corp.*, 918 F.2d 1060, 1063 (2d Cir.1990) (plaintiff entitled to amount of gross sales unless defendant adequately proves amount of costs to be deducted from it); *Polo Fashions, Inc. v. Dick Bruhn, Inc.*, 793 F.2d 1132, 1135 (9th Cir.1986) (court awarded receipts from sales pursuant to 15 U.S.C. § 1117(a)); 5 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 30.65 (4th ed. 2001) (discussing computation of defendant's profits from infringing sales).

Plaintiff has the burden of proof as to damages. See *Rolex Watch, U.S.A., Inc., v. Michel Co.*, 179 F.3d 704, 712 (9th Cir.1999) (plaintiff carries burden to show with "reasonable certainty" the defendant's gross sales from the infringing activity); *Lindy Pen Co.*, 982 F.2d at 1405–08; *Nintendo of America*, 40 F.3d at 1012 (where infringing and noninfringing elements of a work cannot be readily separated, all of a defendant's profits should be awarded to the plaintiff).

"[T]he trial court has wide discretion to increase or reduce the amount of profits recoverable by the plaintiff '[i]f the court shall find that the amount of recovery based on profits is either inadequate or excessive ... according to the circumstances of the case.' " *Texas Pig Stands, Inc. v. Hard Rock Cafe Int'l*, 951 F.2d 684, 694 (5th Cir.1992)) (quoting 15 U.S.C. § 1117(a)).

An award based on defendant's profits may require proof that the defendant acted willfully or in bad faith. *See, e.g., Maier Brewing Co. v. Fleischmann Distilling Corp.*, 390 F.2d 117, 123 (9th Cir.), *cert. denied*, 391 U.S. 966 (1968). *But see Adray v. Adry-Mart, Inc.*, 76 F.3d 984, 988 (9th Cir.1995) ("An instruction that willful infringement is a prerequisite to an award of defendant's profits may be an error in some circumstances ([such] as when plaintiff seeks the defendant's profits as a measure of [plaintiff's] own damage [citation omitted])").

For examples of costs and deductions that the defendant may raise, see 1a JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE § 8.08(3). The defendant may also raise a defense that the purchasers bought goods bearing the infringing mark for reasons other than the appeal of the mark, and that the infringement had no cash value in sales made by the defendant. *Id.* If such a defense is raised, an appropriate instruction should be drafted.

An award of speculative damages is inappropriate. *See McClaran v. Plastic Industries, Inc.*, 97 F.3d 347, 361–62 (9th Cir.1996) (jury finding of lost profits based upon theory that designer would have entered market but for the infringement was too speculative where no one had made a profit on the designed products).

18.25 TRADEMARK DAMAGES— INTENTIONAL INFRINGEMENT (15 U.S.C. § 1117(B))

If you find that the defendant infringed the plaintiff's trademark, you must also determine whether the defendant used the trademark intentionally, knowing it was an infringement.

[Please answer the following question on the special interrogatory form: Do you find that the defendant intentionally used the trademark knowing it was an infringement?]

Comment

It is not clear whether this question, or the question of extenuating circumstances, must be submitted to the jury. 15 U.S.C. § 1117(b). Any award of treble damages depends on these findings. *Id.*

In the area of patent and copyright infringement, there is some authority for submitting the issue of willfulness to the jury. *See, e.g., Shiley, Inc. v. Bentley Lab.*, 794 F.2d 1561, 1568 (Fed.Cir.1986) (applying 35 U.S.C. § 284), *cert. denied*, 479 U.S. 1087 (1987).

"Willful infringement carries a connotation of deliberate intent to deceive. Courts generally apply forceful labels such as 'deliberate,' 'false,' 'misleading,' or 'fraudulent' to conduct that meets this standard." *Lindy Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1406 (9th Cir.1993) (also citing cases in other circuits regarding elements of a willfulness claim). *See also Committee for Idaho's High Desert, Inc. v. Yost*, 92 F.3d 814, 825 (9th Cir.1996) (the term "exceptional" in 15 U.S.C. § 1117(a) for purposes of imposing treble damages, generally means the infringement was "malicious, fraudulent, deliberate or willful") (citing *Lindy Pen Co.*, 928 F.2d at 1408); *Nintendo of America, Inc. v. Dragon Pacific Int'l*, 40 F.3d 1007, 1010 (9th Cir.1994) (where defendant willfully infringes trademark, trebling the damages is appropriate); *VMG Enters. v. F. Quesada & Franco, Inc.*, 788 F.Supp. 648, 662 (D.Puerto Rico 1992) (treble damages granted when defendant's infringing actions are deemed to have been made "knowingly and willfully"); *Polo Fashions v. Rabanne*, 661 F.Supp. 89, 98 (S.D.Fla.1986) (in absence of extenuating circumstances, profits are to be trebled where counterfeiting is intentional and knowing).

Regarding willful blindness, *see Hard Rock Cafe Licensing Corp. v. Concession Servs.*, 955 F.2d 1143, 1149 (7th Cir.1992) (to be willfully blind, a person must suspect wrongdoing and deliberately fail to investigate); *Chanel, Inc. v. Italian Activewear of Florida*, 931 F.2d 1472, 1476 (11th Cir.1991) (willful blindness could provide requisite intent or bad faith; determination of willful blindness depends on the circumstances and will generally be a question of fact for the factfinder after trial).

A court may enter judgment for a damage award under 15 U.S.C. § 1117(a) upon a finding of willfulness as well. *See Sealy, Inc. v. Easy Living, Inc.*, 743 F.2d 1378, 1384 (9th Cir.1984) (district court found that conduct constituted willful and deliberate bad faith infringement of plaintiff's trademarks that was intended to and in fact did result in deception of the public); *Friend v. H.A. Friend & Co.*, 416 F.2d 526, 534 (9th Cir.1969) (defendant's acts must be willful and calculated to trade upon the plaintiff's goodwill). *See also Gorenstein Enterprises v. Quality Care-USA*, 874 F.2d 431, 436 (7th Cir.1989) (15 U.S.C. § 1117(a) provisions regarding treble damages and reasonable attorneys' fees are properly invoked when infringement is deliberate); *Quaker State Oil Ref. Corp. v. Kooltone, Inc.*, 649 F.2d 94, 95 (2d Cir.1981) (jury finding that infringement was deliberate and willful); *Sun Prods. Group v. B & E Sales Co.*, 700 F.Supp. 366, 388 (E.D.Mich.1988) (the court, in "exceptional cases," may award attorney fees to the prevailing party under 15 U.S.C. § 1117(a); legislative history clearly suggests that "exceptional cases" would involve cases in which the infringement is malicious, fraudulent, willful, or deliberate).

19. PATENTS

INTRODUCTORY COMMENT

The Ninth Circuit's model patent jury instructions have been withdrawn. The following other sources of patent instructions may be helpful:

AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, FEDERAL LITIGATION COMMITTEE, GUIDE TO JURY INSTRUCTIONS IN PATENT CASES (1998).
<http://www.aipla.org/html/guide.html>

UNITED STATES FIFTH CIRCUIT DISTRICT JUDGES ASSOCIATION, PATTERN JURY INSTRUCTIONS (Civil Cases), ch. 9 (1999). <http://www.lb5.uscourts.gov/juryinstructions/1999civi.htm>

UNITED STATES ELEVENTH CIRCUIT DISTRICT JUDGES ASSOCIATION, PATTERN JURY INSTRUCTIONS (Civil Cases), Instruction 8.1 (2000).

<ftp://ftp.ca11.uscourts.gov/usca11/civjury.pdf>

KEVIN F. O'MALLEY ET AL., FEDERAL JURY PRACTICE AND INSTRUCTIONS ch. 158 Patent Infringement (5th ed. 2001).

HERBERT F. SCHWARTZ, PATENT LAW AND PRACTICE 144 (2d ed. 1995).

FEDERAL CIRCUIT BAR ASSOCIATION, MODEL PATENT JURY INSTRUCTIONS (Draft), (2001).

<http://www.fedcirbar.org>

20. COPYRIGHT

Analysis

Instruction

- 20.0 Preliminary Instruction—Copyright.
- 20.1 Copyright—Defined (17 U.S.C. § 106).
- 20.2 Copyright—Subject Matter (17 U.S.C. § 501).
- 20.3 Copyright—Subject Matter—Ideas and Expression (17 U.S.C. § 102(b)).
- 20.4 Copyright Infringement—Elements—Ownership and Copying (17 U.S.C. § 105 (a)-(b)).
- 20.5 Copyright Infringement—Definition—Elements—Ownership interests (17 U.S.C. § 201–205).
- 20.6 Copyright Interests—Authorship (17 U.S.C. § 201(a)).
- 20.7 Copyright Interests—Joint Authors (17 U.S.C. §§ 101, 201(a)).
- 20.8 Copyright Interests—Authors of Collective Works (17 U.S.C. § 201(c)).
- 20.9 Copyright Interests—Work Made for Hire (17 U.S.C. § 201(b)).
- 20.10 Copyright Interests—Assignee (17 U.S.C. § 201(d)(1)).
- 20.11 Copyright Interests—Exclusive Licensee (17 U.S.C. § 201(d)(2)).
- 20.12 Copyright Infringement—Definition—Original Elements of a Work.
- 20.13 Derivative Work (17 U.S.C. §§ 101, 106(2)).
- 20.14 Compilation (17 U.S.C. § 101).
- 20.15 Copyright Infringement—Definition—Copying—Access and Substantial Similarity.
- 20.16 Copying—Access Defined.
- 20.17 Substantial Similarity—Extrinsic Test; Intrinsic Test.
- 20.18 Affirmative Defense—Fair Use (17 U.S.C. § 107).
- 20.19 Affirmative Defense—Abandonment.
- 20.20 Derivative Liability—Vicarious Infringement—Elements and Burden of Proof
- 20.21 Derivative Liability—Contributory Infringement—Elements and Burden of Proof.
- 20.22 Damages—In General (17 U.S.C. § 504).
- 20.23 Damages—Actual Damages (17 U.S.C. § 504(b)).
- 20.24 Damages—Defendant's Profits (17 U.S.C. § 504(b)).
- 20.25 Damages—Statutory Damages—Willful Infringement—Innocent Infringement (17 U.S.C. § 504(c)).

Appendix: Summary of Copyright Instruction Issues

Further Comments noted at the end of instruction are available at: www.ce9.uscourts.gov.

20.0 PRELIMINARY INSTRUCTION—COPYRIGHT

The plaintiff, *[insert plaintiff's name]*, the owner of a copyright, seeks damages against the defendant, *[insert defendant's name]*, for copyright infringement. The defendant denies infringing the copyright [and contends that the copyright is invalid]. To help you understand the evidence in this case, I will explain some of the legal terms you will hear during this trial.

DEFINITION OF COPYRIGHT

Copyright is the exclusive right to copy. The owner of a copyright has the right to exclude any other person from reproducing, preparing derivative works, distributing, performing, displaying, or using the work covered by copyright for a specific period of time.

Copyrighted work can be a literary work, musical work, dramatic work, pantomime, choreographic work, pictorial work, graphic work, sculptural work, motion picture, audiovisual work, sound recording, architectural work, mask works fixed in semiconductor chip products, or a computer program.

[Facts, ideas, procedures, processes, systems, methods of operation, concepts, principles or discoveries cannot themselves be copyrighted.]

[The copyrighted work must be original. An original work that closely resembles other works can be copyrighted so long as the similarity between the two works is not the result of copying.]

[COPYRIGHT INTERESTS]

[The copyright owner may [transfer] [sell] [convey] to another person all or part of the owner's property interest in the copyright, that is, the right to exclude others from reproducing, preparing a derivative work from, distributing, performing, or displaying, the copyrighted work. To be valid, the [transfer] [sale] [conveyance] must be in writing. The person to whom a right is transferred is called an assignee.

One who owns a copyright may agree to let another reproduce, prepare a derivative work [of], distribute, perform, or display the copyrighted work. [To be valid, the [transfer] [sale] [conveyance] must be in writing.] The person to whom this right is transferred is called an exclusive licensee. The exclusive licensee has the right to exclude others from copying the work [to the extent of the rights granted in the license.]

[HOW COPYRIGHT IS OBTAINED]

[Copyright automatically exists in a work the moment it is fixed in any tangible medium of expression. The owner of the copyright may register the copyright by delivering to the Copyright Office of the Library of Congress a copy of the copyrighted work. After examination and a determination that the material deposited constitutes copyrightable subject matter and that legal and formal requirements are satisfied, the Register of Copyrights registers the work and issues a certificate of registration to the copyright owner.]

PLAINTIFF'S BURDEN OF PROOF

In this case, the plaintiff, *[insert plaintiff's name]*, contends that the defendant, *[insert defendant's name]*, has infringed the plaintiff's copyright. The plaintiff has the burden of proving by a

preponderance of the evidence that the plaintiff is the owner of the copyright and that the defendant copied original elements of the copyrighted work. Preponderance of the evidence means that you must be persuaded by the evidence that it is more probably true than not true that the copyrighted work was infringed.

LIABILITY FOR INFRINGEMENT

One who [reproduces] [prepares derivative works from] [distributes] [performs] [displays] a copyrighted work without authority from the copyright owner during the term of the copyright, infringes the copyright.

[To prove that the defendant infringed the copyright, the plaintiff may show that the defendant had access to the plaintiff's copyrighted work and that there are substantial similarities between the defendant's work and the plaintiff's copyrighted work [and that the defendant's work was not independently created].]

[Copyright may also be infringed by [vicariously infringing] [and] [contributorily infringing].]

[VICARIOUS INFRINGEMENT]

[A person is liable for copyright infringement by another if the person has a financial interest and the right and ability to supervise the infringing activity, whether or not the person knew of the infringement.]

[CONTRIBUTORY INFRINGEMENT]

[A person is liable for copyright infringement by another if the person knows or should have known of the infringing activity and [induces] [causes] [or] [materially contributes to] the activity.]

[DEFENDANT'S BURDEN OF PROOF]

[The defendant contends that there is no copyright infringement. There is no copyright infringement where the [defendant makes fair use of a copyrighted work by reproducing copies for criticism, comment, news reporting, teaching, scholarship, or research] [plaintiff has abandoned ownership of the copyrighted work].]

Comment

See generally 17 U.S.C. § 101 *et seq.*

20.1 COPYRIGHT—DEFINED (17 U.S.C. § 106)

Copyright is the exclusive right to copy. This right to copy includes the exclusive right[s]
to:

- (1) [[authorize, or make additional copies, or otherwise] reproduce the copyrighted work in [copies] [phonorecords]][:]
- (2) [[recast, transform, adapt the work, that is] prepare derivative works based upon the copyrighted work][:]
- (3) [distribute [copies] [sound recordings] of the copyrighted work to the public by [sale or other transfer of ownership] [or by [rental] [lease] [lending]][:]
- (4) [perform publicly a copyrighted [literary work,] [musical work,][dramatic work,] [choreographic work,] [pantomime work,] [motion picture][or][specify other audiovisual work]][:]
- (5) [display publicly a copyrighted [literary work,] [musical work,] [dramatic work,][choreographic work,] [pantomime work,] [pictorial work,] [graphic work,] [sculptural work,] [the individual images of a motion picture] [or] [specify other audiovisual work]][:][and]
- (6) [perform a sound recording by means of digital audio transmission].

It is the owner of a copyright who may exercise [this] [these] exclusive right[s] to copy. The term "owner" includes [the author of the work] [an assignee] [an exclusive licensee]. In general, copyright law protects against [production] [adaptation] [distribution] [performance] [display] of substantially similar copies of the owner's copyrighted work without the owner's permission. An owner may enforce the[se] right[s] to exclude others in an action for copyright infringement. [Even though one may acquire a copy of the copyrighted work, the copyright owner retains rights and control of that copy, including uses that may result in additional copies or alterations of the work.]

Comment

This instruction identifies the types of rights involved in the term "copyright."

There are exceptions to these "exclusive" rights. *See, e.g.*, 17 U.S.C. §§ 107–120. 17 U.S.C. § 101 defines various terms used in this instruction, e.g., phonorecords, digital audio transmission, etc. *See also* 17 U.S.C. § 501 (Infringement).

20.2 COPYRIGHT—SUBJECT MATTER (17 U.S.C. § 102)

The work[s] [*identify the works at issue*] involved in this trial are known as:

- (1) [literary works; [in which words, numbers, or other verbal or numerical symbols or indicia are expressed in such material objects like books, periodicals, manuscripts, phonorecords, films, tapes, disks or cards]][:]
- (2) [musical works, including any accompanying words]][:]
- (3) [dramatic works, including any accompanying music]][:]
- (4) [pantomimes]][:]
- (5) [choreographic works]][:]
- (6) [pictorial works]][:] [graphic works]][:] [sculptural works]][:] [such as two-dimensional and three-dimensional works of fine, graphic and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models and technical drawings, including architectural plans]][:]
- (7) [motion pictures] [and other audiovisual works]][:] [in which a series of related images which, when shown in succession, convey an impression of motion]][:]
- (8) [sound recordings] [:][which are works that result from fixation of a series of musical, spoken, or other sounds, be it on disks, tapes or other phonorecords]][:]
- (9) [architectural works]][:][which are plans for the design of a building]][:]
- (10) [mask works fixed in semiconductor chip products]][:][and]
- (11) [[computer programs,] [that is, a literary work composed of a set of statements or instructions to be used directly or indirectly in a computer to bring about a certain result]].

You are instructed that a copyright may be obtained in [*identify the work(s) at issue*].

[These works can be protected by the copyright law provided they meet the requirements of copyright law and the author[s] took steps to properly copyright the works. Only that part of the works comprised of original works of authorship [fixed] [produced] in any tangible [medium] [form] of expression from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device, are protected by the Copyright Act.]

[This work can be protected by the copyright law provided it meets the requirements of copyright law and its author[s] took steps to properly copyright the work. Only that part of the work comprised of original works of authorship [fixed] [produced] in any tangible [medium] [form] of expression from which it can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device is protected by the Copyright Act.]

[Copyright protection for an original work of authorship does not extend to any [idea] [procedure] [process] [system] [method of operation] [concept] [principle] [discovery], regardless of the form in which it is described, explained, illustrated, or embodied.]

Comment

See 17 U.S.C. § 101 (defines terms "architectural work," "audiovisual work," "computer program," "digital transmission," "literary works," "motion pictures," "phonorecords," "pictorial, graphic and sculptural works" and "work of visual art." *See also* 17 U.S.C. § 901 *et seq.* (mask work and semi-conductor chip protection). The instructing judge may wish to supplement this instruction by providing further instructions addressing these additional terms.

Generally, whether a subject matter is copyrightable is a question of law to be determined by the court. This instruction is designed to inform the jury that the court has determined the subject matter to be appropriately copyrightable. *But see Aldon Accessories, Ltd. v. Spiegel, Inc.*, 738 F.2d 548 (2d Cir.1984) (trial court placed issue of copyrightability of statuette before the jury).

Further Comments: *Originality Requirement; Definition of Term "Literary Works."*

20.3 COPYRIGHT—SUBJECT MATTER— IDEAS AND EXPRESSION (17 U.S.C. § 102 (B))

Copyright law allows the author of an original work to prevent others from copying the way or form the author used to express the ideas in the author's work. Only the particular [way of expressing] [expression of] an idea can be copyrighted. Copyright law does not give the author the right to prevent others from copying or using the underlying ideas contained in the work, such as any procedures, processes, systems, methods of operation, concepts, principles or discoveries. [In order to protect any ideas in the work from being copied, the author must secure a patent on it, because ideas cannot be copyrighted].

The right to exclude others from copying extends only to how the author expressed the ideas in the copyrighted work. The copyright is not violated when someone uses an idea from a copyrighted work, as long as the particular [way of expressing] [expression of] that idea in the work is not copied.

Comment

Copyright law does not protect facts and ideas within a work. *Shaw v. Lindheim*, 919 F.2d 1353, 1356 (9th Cir.1990).

This instruction explains the idea-expression dichotomy of copyright law. The Ninth Circuit has explained that "the real task in a copyright infringement action ... is to determine whether there has been copying of the expression of an idea rather than just the idea itself Only ... expression may be protected and only it may be infringed." *Sid & Marty Krofft Television v. McDonald's Corp.*, 562 F.2d 1157, 1163 (9th Cir.1977). In *Sid & Marty Krofft*, the plaintiffs did not dispute copying, but argued "that the expressions of ... ideas are too dissimilar for there to be infringement." *Id.* at 1165. The court seemed to suggest that this issue was one of fact, which was appropriate for the jury. *See, id.* at 1164–1166. However, instructing the jury on substantial similarity can cover this aspect of copyright infringement. *See*, Instruction 20.17 (Substantial Similarity—Extrinsic Test; Intrinsic Test).

If the plaintiff is not the author of the work, this instruction can be modified by substituting the word "owner," "assignee," or "licensee" in the place of the word "author," as is appropriate to the facts of the case.

Further Comments: *Merger of Idea & Expression; Merger Defense Instruction; Contractual Protection for Ideas in a Work.*

20.4 COPYRIGHT INFRINGEMENT—ELEMENTS—OWNERSHIP AND COPYING 17
U.S.C. §§ 501(A)–(B)

Anyone who copies original elements of a copyrighted work during the term of the copyright without the owner's permission infringes the copyright.

On the plaintiff's copyright infringement claim, the plaintiff has the burden of proving both of the following by a preponderance of the evidence:

1. the plaintiff is the owner of a valid copyright; and
2. the defendant copied original elements from the copyrighted work.

If you find that both of the elements on which the plaintiff has the burden of proof have been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove either of these elements, your verdict should be for the defendant.

Comment

The elements in this instruction are explained in Instructions 20.5 (Ownership—Definition), 20.12 (Copyright—Original Elements) and 20.15 (Copying—Access and Substantial Similarity).

The two elements that must be proved to establish infringement are: "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." *Feist Publications v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991). An infringement claim constitutes a claim of ownership of a valid copyright and copying of "protectable elements" of infringed work. *See Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 548 (1985); *CDN Inc. v. Kapes*, 197 F.3d 1256, 1258 (9th Cir.1999); *Smith v. Jackson*, 84 F.3d 1213, 1218 (9th Cir.1996).

Copying and improper appropriation are issues of fact for jury. *See Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 481–82 (9th Cir.2000) (citing *Arnstein v. Porter*, 154 F.2d 464, 469 (2d Cir.1946)).

The Ninth Circuit considers the word "copying" as "shorthand" for the various activities that may infringe "any of the copyright owner's ... exclusive rights described at 17 U.S.C. § 106." *S.O.S., Inc., v. Payday Inc.*, 886 F.2d 1081, 1085 n. 3 (9th Cir.1989).

"To establish copyright infringement, the holder of the copyright must prove both valid ownership of the copyright and that there was infringement of that copyright by the alleged infringer." *North Coast Indus. v. Jason Maxwell, Inc.*, 972 F.2d 1031, 1033 (9th Cir.1992) (if ownership of a valid copyright is established, plaintiff may establish infringement by showing both access and substantial similarity between the copyrighted work and the alleged infringing work).

20.5 COPYRIGHT INFRINGEMENT—OWNERSHIP OF VALID COPYRIGHT—DEFINITION—17 U.S.C. §§ 201–205

The plaintiff is the owner of a valid copyright [in identify work(s) allegedly infringed] if the plaintiff proves by a preponderance of the evidence that:

1. the plaintiff's work is original; and
2. the plaintiff [is the author or creator of the work] [received a transfer of the copyright] [received a transfer of the right to specify right transferred, e.g., make derivative works, copy, publicly perform, etc]].

Comment

For cases involving a work distributed prior to March 1, 1989 (effective date of the Berne Convention Implementation Act, 17 U.S.C. § 405(a)), a failure to comply with the copyright notice procedures could result in the work entering the public domain. *See, e.g., Lifshitz v. Walter Drake & Sons, Inc.*, 806 F.2d 1426, 1432–1434 (9th Cir.1986). Unless an exception stated in 17 U.S.C. § 405(a)(1), (2) or (3) applies, a third element could be added to this instruction:

3. the plaintiff complied with copyright notice requirements by placing a copyright notice on publicly distributed copies of the allegedly infringed work.

17 U.S.C. § 410 (c) provides that a "certificate of a [copyright] registration made before or within five years after first publication" of a work constitutes prima facie evidence of the validity of the copyright and of the facts stated in the certificate. The Ninth Circuit construes this presumption to apply to judicial proceedings "commenced within five years of the copyright's first publication." *Entertainment Research v. Genesis Creative Group*, 122 F.3d 1211, 1217 (9th Cir.1997). *See also North Coast Industries v. Jason Maxwell, Inc.*, 972 F.2d 1031, 1033 (9th Cir.1992).

The defendant may challenge validity of the copyright not only based on an improper registration (e.g., that work was not original and therefore not subject to copyright), but also based on failure to comply with the statutory formalities relating to registration and deposit. *See Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 486 (9th Cir.2000) (absent an intent to defraud by the registrant or prejudice to the defendant arising therefrom, inaccuracies in the deposit copy of the copyrighted work which was registered will not disturb a jury's verdict that the statutory requirements had been satisfied).

Under the Copyright Act, the party charging infringement must show ownership. *See* Instruction 20.4 (Copyright Infringement—Elements—Ownership & Copying). "The question of authorship of a copyrighted work is a question of fact for the jury." *Del Madera Properties v. Rhodes and Gardner, Inc.*, 820 F.2d 973, 980 (9th Cir.1987) (*overruled on other grounds, Kodadek v. MTV Networks, Inc.*, 152 F.3d 1209 (9th Cir.1998)).

Registration of the alleged copyright under 17 U.S.C. § 410(c) affects the nature of the plaintiff's proof of ownership. Use of this instruction is appropriate where: 1) the plaintiff submits no certificate of registration, or 2) the plaintiff produces a registration made five years *after* the date of the first publication, or 3) the plaintiff submits a registration made *within* five years of first publication *and* the defendant submits evidence to dispute the plaintiff's ownership of a valid copyright.

The judge may consider instructing the jury about the weight accorded such certificate of registration as well.

Where the plaintiff submits a certificate of registration made *within* five years of first publication *and* the defendant does not dispute plaintiff's ownership of a valid copyright (by, among other things, not disputing the plaintiff's certificate of registration), the judge may consider directing the jury that ownership of a valid copyright was proved by the submission of the registration of the certificate.

If the plaintiff is not the author of the registered work, the certificate may not reflect the plaintiff's interest in the work. This frequently occurs when the author registered the copyrighted work before the author licensed or assigned the copyright to the plaintiff. The court may need to adjust this instruction to reflect the transfer of ownership. Use of Instruction 20.8 (Copyright Interests—Assignee—Written Instrument) or 20.9 (Copyright Interests—Exclusive Licensee) may be helpful. A transfer may also occur upon the death of the author within the copyright term, which can be explained to the jury by an instruction.

Elements in this instruction are further explained by Instructions 20.6 (Authorship) and Instruction 20.12 (Original Elements).

Further Comments: *Contents of Copyright Certificate; Effect of Copyright Certificate; Registration in the Context of Summary Judgment; Registration in the Context of Jury Trial; Instruction Explaining Evidentiary Effect of Copyright Certificate.*

20.6 COPYRIGHT INTERESTS—AUTHORSHIP (17 U.S.C. § 201(A))

The creator of an original work is called the author of that work. An author originates or "masterminds" the original work, controlling the whole work's creation and causing it to come into being.

Others may help or may make valuable or creative contributions to a work. However, such [a contributor cannot be the author of the work unless that contributor] [contributors cannot be the authors of the work unless they] caused the work to come into being. One must translate an idea into a fixed, tangible expression in order to be the author of the work. Merely giving an idea to another does not make the giver an author of a work embodying that idea.

Comment

Copyright in a work "vests initially in the author or authors" of a work. 17 U.S.C. § 201(a).

Authorship is a designation for the "originator" of the work, who "causes something to come into being." *Aalmuhammed v. Lee*, 202 F.3d 1227, 1232 (9th Cir.2000) (consultant was not joint author of movie despite the value of the consultant's contribution).

"The question of authorship of a copyrighted work is a question of fact for the jury." *Del Madera Properties v. Rhodes and Gardner, Inc.*, 820 F.2d 973, 980 (9th Cir.1987) (*overruled on other grounds*, *Kodadek v. MTV Networks, Inc.*, 152 F.3d 1209 (9th Cir.1998)).

Other model instructions on particular types of authorship interests include 20.7 (Copyright Interests—Joint Authors), 20.8 (Copyright Interests—Authors of Collective Works) and 20.9 (Copyright Interests—Work Made for Hire). For model instructions on the requirement of an "original" work, see Instruction 20.12 (Copyright Infringement—Original Elements).

Further Comments: *Authority & Supreme Court Precedent; Continuing Iteration of Authorship Concepts; Fixation Requirement.*

20.7 COPYRIGHT INTERESTS—JOINT AUTHORS (17 U.S.C. §§ 101, 201(A))

A copyright owner is entitled to exclude others from copying a joint work. A joint work is a work prepared by two or more authors. At the time of the joint work's creation, a joint work must have two or more authors, and

1. each author must have made a substantial and valuable contribution to the work [although the contribution each author made to the joint work need not be equal];
2. each author must have intended that their contributions be merged into inseparable or interdependent parts of a unitary whole [for example, by a written agreement stating the copyright in the work is to be jointly owned]; and
3. each author must have contributed material to the joint work which could have been independently copyrighted [that is, each author supplied more than mere direction or ideas, but each author translated an idea into a fixed, tangible expression entitled to copyright protection without the contributions by the other author(s)].

Each author of a joint work shares an undivided interest in the entire joint work. A copyright owner in a joint work may enforce the right to exclude others in an action for copyright infringement.

Comment

See 17 U.S.C. §§ 101, 106, 501. The definition of joint work under the 1976 Copyright Act is found at 17 U.S.C. § 201(a). The instruction may be inappropriate for use in a case involving joint authorship under the 1909 Copyright Act.

Whether a work is a joint work, rendering a party a joint author, is often a question of fact for the jury to determine. See, *Goodman v. Lee*, 988 F.2d 619, 625 (5th Cir.1993) (co-authorship determination made by jury at trial).

In lieu of using the bracketed section of the third numbered paragraph to this instruction, the jury may be given Instruction 20.6 (Copyright Interests—Authorship).

Regarding joint authorship, see *Ashton–Tate Corp. v. Ross*, 916 F.2d 516, 521 (9th Cir.1990) ("Even though this issue is not completely settled in the case law, our circuit holds that joint authorship requires each author to make an independently copyrightable contribution [to the joint work]."). See also *S.O.S., Inc. v. Payday, Inc.*, 886 F.2d 1081, 1087 (9th Cir.1989) (To be a joint author, "one must supply more than mere direction or ideas: one must 'translate[] an idea into a fixed, tangible expression entitled to copyright protection.' ") (quoting *Community for Creative Non–Violence v. Reid*, 490 U.S. 730, 737 (1989)).

Further Comments: *Modification of Instruction for Cases Not Involving a Contract; Joint Ownership and Joint Authorship; Litigation between Co–Authors.*

20.8 COPYRIGHT INTERESTS— AUTHORS OF COLLECTIVE WORKS (17 U.S.C. § 201(C))

A copyright owner is entitled to exclude others from copying a collective work. A collective work is a work [such as [a newspaper, magazine or periodical issue] [anthology] [encyclopedia]] in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole. The person who assembles the contributions of independent works into the collective work is an author and is entitled to copyright. Copyright in a collective work is distinct from copyright in the separate contributions to the work. In the absence of an express transfer of a copyright, these rights include only the right to reproduce and distribute the separate contributions that make up the collective work and the right to revise that collective work.

A copyright owner of a collective work may enforce the right to exclude others in an action for copyright infringement.

Comment

See 17 U.S.C. §§ 101 (definition of collective work author), 501 (infringement).

See 17 U.S.C. § 201 (c) (in the absence of express copyright transfer by a contributor to the compilation, it is presumed that the copyright owner of the collective work acquires only the "privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series").

Whether a contribution to a collective work has been distributed as part of a "revision" depends on how it is presented to and how it is perceived by the users in terms of its context. *New York Times Co., Inc. v. Tasini*, ___ U.S. ___, 121 S.Ct. 2381 (2001) (use of contributions to periodicals and other collective works in databases).

Further Comments: *Copyright Notice on Collective Works; Description of Collective Works.*

20.9 COPYRIGHT INTERESTS—WORK MADE FOR HIRE (17 U.S.C. § 201(B))

A copyright owner is entitled to exclude others from copying a work made for hire.

A work made for hire is one that is prepared by an employee in carrying out the employer's business.

The employer is considered to be the author of the work and owns the copyright [unless the employer and employee have agreed otherwise in writing].

A copyright owner of a work made for hire may enforce the right to exclude others in an action for copyright infringement.

Comment

See 17 U.S.C. §§ 101 (definition of work for hire), 201 (b) (rights in work for hire).

Congress used the words "employee" and "employment" in 17 U.S.C. § 101 to describe the conventional relationship of employer and employee. See *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 739–40 (1989).

"An employment (or commissioning) relationship at the time the work is created is a condition" for creation of a work for hire. See *Urantia Foundation v. Maaherra*, 114 F.3d 955, 961 (9th Cir.1997).

"Under copyright law, a work for hire clause [in a contract] vests all authorship rights in the employer" including the right of attribution; the employer is considered to be the author of the work for hire "once authorship rights are relinquished through a work for hire contract provision." *Cleary v. News Corp.*, 30 F.3d 1255, 1259–60, 1264 (9th Cir.1994).

This instruction may not be appropriate in cases in which a copyright was obtained under the 1909 Copyright Act. For such cases, see *Dolman v. Agee*, 157 F.3d 708, 711–12 (9th Cir.1998) (application of presumption of work for hire under the 1909 Copyright Act).

Further Comments: *Commissioned Works: Supplementary Instruction for Determining Employment Status; Weighing Employment Factors.*

20.10 COPYRIGHT INTERESTS—ASSIGNEE (17 U.S.C. § 201(D)(1))

A copyright owner may [transfer] [sell] [convey] to another person all or part of the owner's property interest in the copyright, that is, the right to exclude others from copying the work. The person to whom the copyright is [transferred] [sold] [conveyed] becomes the owner of the copyright in the work.

To be valid, the [transfer] [sale] [conveyance] must be in writing. The person to whom this right is transferred is called an assignee. [The assignee may enforce this right to exclude others in an action for copyright infringement.]

[The plaintiff is an assignee of the copyright.]

Comment

"A 'transfer of copyright ownership' is an assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not it is limited in time or place of effect, but not including a nonexclusive license." 17 U.S.C. § 101.

Regarding the formalities required of a written instrument, see, for example, *Urantia Foundation v. Maaherra*, 114 F.3d 955, 961 (9th Cir.1997) (common law copyright was assigned even though precise words "assign" or "transfer" did not appear in the instrument; under 1909 Copyright Act, a common law copyright could be "assigned without the necessity of observing any formalities"). *See also Valente-Kritzer Video v. Pinckney*, 881 F.2d 772, 775 (9th Cir.1989) (letter reserving author's right to comment on agreement not a memorialization of agreement), *cert. denied*, 493 U.S. 1062 (1990).

Modification of Instruction When Plaintiff or Defendant is not Author of Work in Issue

When the owner of the copyright is not the author, the following paragraph may be added before the first paragraph of this instruction:

[In this case, the [plaintiff] [defendant] does not claim to be the [author] [creator] [initial owner] of the copyright at issue. Instead, [plaintiff] [defendant] claims that it received the copyright by virtue of assignment from the work's [author] [creator] [initial owner] so that the [plaintiff] [defendant] is now the assignee of the copyright.]

Further Comments: *Means of Copyright Transfer; Exceptions to Written Transfer Requirement; Requirements for Copyright Royalties Transfer; Copyright Renewal Interests.*

20.11 COPYRIGHT INTERESTS—EXCLUSIVE LICENSEE (17 U.S.C. § 201(D)(2))

A copyright owner may [transfer] [sell] [convey] to another person any of the exclusive rights comprised in the copyright. [To be valid, the [transfer] [sale] [conveyance] must be in writing.] The person to whom this right is transferred is called an exclusive licensee and is the owner of the particular right[s] transferred by the license.

The exclusive licensee has the right to exclude others from copying the work [to the extent of the rights granted in the license]. An exclusive licensee is entitled to bring an action for damages for copyright infringement of the right licensed.

[The plaintiff is an exclusive licensee of the copyright.]

Comment

See 17 U.S.C. §§ 101 ("A 'transfer of copyright ownership' is an assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not it is limited in time or place of effect, but not including a nonexclusive license."), 204(a) (requires that transfer be in writing); 3 M. NIMMER & D. NIMMER, NIMMER ON COPYRIGHT § 12.02[B] (2000) (right of exclusive licensee to exclude others in 1976 Copyright Act differ from those rights in the 1909 Act).

"[T]he various rights included in a copyright are divisible and ... 'any of the exclusive rights comprised in a copyright ... may be transferred ... and owned separately.' 17 U.S.C. § 201(d)(2). An exclusive licensee owns separately only the 'exclusive rights comprised in the copyright' that are the subject of his license." *Bagdadi v. Nazar*, 84 F.3d 1194, 1197–98 (9th Cir.1996) (citation omitted). The owner of any particular exclusive right "is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title." 17 U.S.C. § 201(d)(2).

The bracketed language in the first sentence of the second paragraph, ("[to the extent of the rights granted in the license]") is not necessary when the extent of the license and its applicability to the alleged infringing activity was established in pretrial proceedings. See, e.g., *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1447–48 (9th Cir.1994) (copyright owner of derivative work had exclusive license of certain rights in underlying work and could sue for infringement of material appearing in both the derivative work and in the underlying work).

A license agreement is essentially a promise by the licensor not to sue the licensee. See *Cohen v. Paramount Pictures Corp.*, 845 F.2d 851 (9th Cir.1988). When a copyright owner grants a nonexclusive license to use the owner's copyrighted materials, the owner waives the right to sue the licensee for infringement and can only sue for breach of contract. See *Sun Microsystems, Inc. v. Microsoft, Inc.*, 188 F.3d 1115, 1121 (9th Cir.1999).

Modification of Instruction When Plaintiff or Defendant is not Author of Work in Issue

When the owner of the copyright is not the author, the following paragraph may be added before the first paragraph of this instruction:

[In this case, the [plaintiff] [defendant] does not claim to be the [author] [creator] [initial owner] of the copyright at issue. Instead, the [plaintiff] [defendant] claims the copyright by virtue of an exclusive license from the work's [author] [creator] [initial owner] and that the [plaintiff] [defendant] is now the exclusive licensee of the copyright.]

Further Comments: *Written Transfer Requirement; Written Transfer Requirement for post-1978 Exclusive Licenses; Importance of Legal Distinction between Exclusive and Nonexclusive Licenses; Licenses and Contract Interpretation.*

20.12 COPYRIGHT INFRINGEMENT—ORIGINAL ELEMENTS

An original work may include or incorporate elements taken from [prior works] [works from the public domain] [works owned by others, with the owner's permission]. The original part[s] of the plaintiff's work [is] [are] the part[s] created:

1. independently by the [work's] author, that is, the author did not copy it from another work; and
2. by use of [something more than trivial] [at least some [modest] [minimal]] creativity.

[In copyright law, the "original element" of a work may not necessarily be new or novel.]

Comment

The test in this instruction was set forth in *Urantia Foundation v. Maaherra*, 114 F.3d 955, 958–959 (9th Cir.1997) (selection and arrangement of "greater being's" revelations was not so mechanical as to lack originality). *See also Feist Publications, Inc. v. Rural Telephone Service Co., Inc.*, 499 U.S. 340, 345 (1991) ("Original, as the term is used in copyright, means only that the work was independently created by the author, as opposed to copied from other works, and that it possesses at least some minimal degree of creativity.").

For copyright purposes, the required level of originality is "minimal" but "sweat of the brow" used to create it is "wholly irrelevant." *CDN, Inc. v. Kapes*, 197 F.3d 1256, 1259–1261 (9th Cir.1999) (where plaintiff used prices to develop a best estimate of the price, this selection and weighing of the data was a sufficient showing of creativity to render the plaintiff's price list original).

Originality is often a fact question for the jury. *See North Coast Industries v. Jason Maxwell, Inc.*, 972 F.2d 1031, 1034 (9th Cir.1992) (whether copyright owner's expression of idea inspired by designer was copyrightable was question for the jury where it was not clear the expression was substantially similar and that differences were merely trivial).

Further Comments: *Other examples of Original Works; Common Law Copyright & Originality Requirement.*

20.13 COPYRIGHT INTERESTS—DERIVATIVE WORK (17 U.S.C. §§ 101, 106(2))

A copyright owner is entitled to exclude others from creating derivative works based upon the owner's copyrighted work. The term derivative work refers to a work based on one or more pre-existing works, such as a [translation] [musical arrangement] [dramatization] [fictionalization] [motion picture version] [sound recording] [art reproduction] [abridgement] [condensation] [, or any other form in which the pre-existing work is recast, transformed, or adapted]. Accordingly, the owner of a copyrighted work is entitled to exclude others from recasting, transforming or adapting the copyrighted work without the owner's permission.

If the copyright owner exercises the right to [create] [allow others to create] a derivative work based upon the copyrighted work, this derivative work may also be copyrighted. [The original works of authorship in the derivation, such as the editorial revisions, annotations, elaboration, or other modifications to the pre-existing work, are considered to be the derivative work.]

Copyright protection of a derivative work covers only the contribution made by the author of the derivative work. If the derivative work incorporates [pre-existing work by others] [work in the public domain], the derivative author's protection is [limited to elements added by the derivative author to the [pre-existing work of others] [public domain work]] [, or] [limited to the manner in which the derivative author combined the [pre-existing elements by other persons] [pre-existing elements in the public domain work] into the derivative work].

The owner of a derivative work may enforce the right to exclude others in an action for copyright infringement.

Comment

"The copyright in a ... derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work ... [and] ... is independent of ... any copyright protection in the preexisting material." 17 U.S.C. § 103(b). *See also Stewart v. Abend*, 495 U.S. 207, 223 (1990) (aspects of a derivative work added by the derivative author are that author's property and elements drawn from a pre-existing work remain the property of the owner of the pre-existing work); *Batjac Productions Inc., v. GoodTimes Home Video*, 160 F.3d 1223, 1234–35 (9th Cir.1998) (under 17 U.S.C. § 103(b), as under 1909 Act, a copyrighted underlying work remains copyrighted even if the derivative work based on it enters the public domain); *Russell v. Price*, 612 F.2d 1123, 1128 (9th Cir.1979).

In order to qualify for a separate copyright as a derivative work the additional material injected in a prior work or the manner of rearranging or otherwise transforming a prior work must constitute more than a minimal contribution or a trivial variation. *See* 1 NIMMER, *supra*, at § 3.03. *See also Entertainment Research v. Genesis Creative Group*, 122 F.3d 1211, 1218–24 (9th Cir.1997) (If based upon a preexisting copyrighted work, the test of a derivative work's originality is set out by *Durham Industries, Inc. v. Tomy Corp.*, 630 F.2d 905 (2d Cir.1980); however, this test may not apply to a derivative work based upon a public domain work).

Further Comments: *Additional Requirements for Sound Recording Derivative Works; Consent to Use Prior Work; Exclusive Licensor's Rights in Derivative Work; Fixation of Derivative Work; Joint Authorship & Derivative Works.*

20.14 COPYRIGHT INTERESTS—COMPILATION (17 U.S.C. § 101)

An owner is entitled to copyright protection of a compilation. A compilation is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship.

The owner of a compilation may enforce the right to exclude others in an action for copyright infringement.

Comment

The term "compilation" includes collective works. *See* 17 U.S.C. § 101.

Facts and ideas cannot be copyrighted, but compilations of facts may be copyrightable even if the underlying facts cannot. *See CDN Inc. v. Kapes*, 197 F.3d 1256, 1259–61 (9th Cir.1999) (where the publisher chose, weighed and exercised judgment in deriving publisher's best estimate of coin prices, requisite level of originality for copyright as a compilation was shown). *See also Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 344 (1991) (factual compilations may have the level of originality necessary to qualify for copyright protection if choices as to selection and arrangement of facts are independently made by compiler, reflecting a minimal degree of creativity).

Further Comments: *Additional Examples of Compilations.*

20.15 COPYRIGHT INFRINGEMENT—DEFINITION—COPYING—ACCESS AND SUBSTANTIAL SIMILARITY

The plaintiff claims that the defendant copied original elements of the plaintiff's copyrighted work. The plaintiff has the burden of proving the following elements by a preponderance of the evidence:

1. that the defendant had access to the plaintiff's copyrighted work [; and]
2. that there are substantial similarities between the defendant's work and original elements of the plaintiff's copyrighted work [; and]
- [3.] [the defendant's work was not independently created].

Comment

If the defendant has made a claim of independent creation, use the bracketed third paragraph.

The word "copying" is described by the Ninth Circuit as "shorthand" for the various activities that may infringe "any of the copyright owner's ... exclusive rights described at 17 U.S.C. § 106." *S.O.S., Inc., v. Payday Inc.*, 886 F.2d 1081, 1085 n. 3 (9th Cir.1989).

Regarding access, substantial similarity, and independent creation, see *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1018 (9th Cir.1985), *cert. denied*, 474 U.S. 1059 (1986). *See also*, Instruction 20.12 (Original Elements), 20.16 (Access Defined), 20.17 (Substantial Similarity Defined).

A showing of access and substantial similarity creates a presumption of copying. *See Granite Music Corp. v. United Artists Corp.*, 532 F.2d 718, 720–21 (9th Cir.1976). It also establishes a prima facie case of copyright infringement. *Walker v. University Books, Inc.*, 602 F.2d 859, 864 (9th Cir.1979). The defendant has the burden to rebut or meet the presumption with evidence of independent creation. *See Keeler Brass Co. v. Continental Brass Co.*, 862 F.2d 1063, 1065–66 (4th Cir.1988) (prima facie case shifts burden of going forward but not burden of persuasion); *Benson v. Coca-Cola Co.*, 795 F.2d 973, 974 (11th Cir.1986) (proof of access and similarity is insufficient to affirmatively establish infringement; elements of access and similarity raise a presumption of infringement which may be rebutted by proof of independent creation); *Original Appalachian Artworks, Inc. v. Toy Loft, Inc.*, 684 F.2d 821, 829 (11th Cir.1982) ("proof of access and substantial similarity raises only a presumption of copying which may be rebutted by the defendant with evidence of independent creation").

The burden of proof, however, remains at all times with the plaintiff and does not shift to the defendant. *See Overman v. Loesser*, 205 F.2d 521, 524 (9th Cir.), *cert. denied*, 346 U.S. 910 (1953). *But see Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1018–1019 (9th Cir.1985) (burden shifts to the defendant to prove independent creation); *Kamar Int'l v. Russ Berrie & Co.*, 657 F.2d 1059, 1062 (9th Cir.1981) (copying may be established by showing access and substantial similarity; burden then shifts to the defendant to prove that the work was not copied but independently created); *John L. Perry Studio, Inc. v. Wernick*, 597 F.2d 1308, 1309 (9th Cir.1979) (burden of persuasion shifts to alleged infringers to show independent creation).

Further Comments: *Access and "Striking Similarity;" "Inverse Ratio Rule."*

20.16 COPYRIGHT INFRINGEMENT—DEFINITION—COPYING— ACCESS DEFINED

[The plaintiff must show by a preponderance of the evidence that [[the defendant] [whoever created the work owned by the defendant]] had access to the plaintiff's work.] You may find that the defendant had access to the plaintiff's work if [[the defendant] [whoever created the work owned by the defendant]] had a reasonable opportunity to [view] [read] [hear] [copy] the plaintiff's work before the defendant's work was created.

This reasonable [opportunity] [access] is not based on mere speculation or conjecture. Reasonable [opportunity] [access] means that there was a reasonable possibility the defendant had an opportunity to see or hear the plaintiff's work.

Comment

Proof of access requires "an opportunity to view or to copy plaintiff's work." *Sid and Marty Krofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1172 (9th Cir.1977). See also *Jason v. Fonda*, 698 F.2d 966 (9th Cir.1982) (reasonable possibility, not bare possibility, of seeing or hearing the work); *Kamar Int'l, Inc. v. Russ Berrie & Co.*, 657 F.2d 1059 (9th Cir.1981) (access and reasonable opportunity).

Modification of Instruction to Explain Factors Suggesting Access:

Depending on the evidence at trial of defendant's access to the allegedly infringed work, the court may instruct the jury about factors that show such access, by adding the following after the last paragraph of this instruction:

Access may be shown by:

- [1. a chain of events connecting plaintiff's work and the defendant's opportunity to [view] [hear] [copy] that work [such as dealings through a third party (such as a publisher or record company) that had access to the plaintiff's work and with whom both plaintiff and defendant were dealing][or]
- [2. the plaintiff's work being widely disseminated].

Regarding the evidence necessary to demonstrate access, see *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 482–484 (9th Cir.2000) (reasonable opportunity is more than a "bare possibility," such as one based on mere speculation or conjecture; reasonable access can be shown by a chain of events connecting the plaintiff's work and the defendant's access or by the plaintiff's work being widely distributed; often the widespread dissemination approach is coupled with a theory of "subconscious copying" (citing 4 M. NIMMER & D. NIMMER, NIMMER ON COPYRIGHT, § 13.02[A] (1999)); *Kamar Int'l, Inc. v. Russ Berrie & Co.*, 657 F.2d 1059 (9th Cir.1981) (access shown by dealings between the parties and the third party on a chain of events theory relating to the same subject matter). Where the subject matter of dealings between parties and third party differs, the chain is broken and access is not shown. See also *Meta-Film Assocs. v. MCA*, 586 F.Supp. 1346, 1355 (C.D.Cal.1984).

Further Comments: *Access and "Striking Similarity"*.

20.17 SUBSTANTIAL SIMILARITY—EXTRINSIC TEST; INTRINSIC TEST

Works are substantially similar if:

1. the ideas in the plaintiff's copyrighted work and in the defendant's work are substantially similar; and
2. the expression of ideas in the plaintiff's copyrighted work and the expression of ideas in the defendant's work [that are shared] are substantially similar.

The test for expression of ideas is whether an ordinary reasonable person would find the total concept and feel to be substantially similar.

Comment

Element 1 of the instruction is known as the extrinsic test. Element 2 is known as the intrinsic test.

There is no bright-line rule regarding substantial similarity. *Baxter v. MCA, Inc.*, 812 F.2d 421, 425 (9th Cir.), *cert. denied*, 484 U.S. 954 (1987). Substantial similarity is a jury issue; on motion for summary judgment the court can settle only the extrinsic test. The intrinsic test must be left to the jury. *Smith v. Jackson*, 84 F.3d 1213, 1218 (9th Cir.1996).

The plaintiff must show that the plaintiff's and the defendant's works are substantially similar in both the ideas and the expression of those ideas. *See Berkic v. Crichton*, 761 F.2d 1289, 1291–92 (9th Cir.), *cert. denied*, 474 U.S. 826 (1985).

Based upon the facts developed at trial, the judge most often will need to instruct the jury further upon the components and application of the tests of substantial similarity.

Further Comments: *Extrinsic Test—Criteria Used In; Extrinsic Test—Shaw Test; Extrinsic Test—Similarity of Ideas; Extrinsic Test—Similarity of Expression; Intrinsic Test—Total Concept and Feel; Intrinsic Test—Quantity of Protectable Expression.*

20.18 COPYRIGHT—AFFIRMATIVE DEFENSE—FAIR USE (17 U.S.C. § 107)

One who is not the owner of the copyright may use the copyrighted work in a reasonable way under the circumstances without the consent of the copyright owner if it would advance the public interest. Such use of a copyrighted work is called a fair use. The owner of a copyright cannot prevent others from making a fair use of the owner's copyrighted work.

The defendant contends that the defendant made fair use of the copyrighted work for the purpose of [criticism] [comment] [news reporting] [teaching] [scholarship] [research] [other purpose alleged]. The defendant has the burden of proving this defense by a preponderance of the evidence.

In determining whether the use made of the work was fair, you should consider the following factors:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole;
- (4) the effect of the use upon the potential market for or value of the copyrighted work; and
- [(5)] [insert any other factor that bears on the issue of fair use].

If you find that the defendant proved by a preponderance of the evidence that the defendant made a fair use of the plaintiff's work, your verdict should be for the defendant.

Comment

Fair use is an affirmative defense. *Dr. Seuss Enterprises v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1403 (9th Cir.1997); *Supermarket of Homes v. San Fernando Valley Bd. of Realtors*, 786 F.2d 1400, 1408–09 (9th Cir.1986).

Application of the fair use factors to the facts of a case is not subject to "bright-line" rules. The factors should "be considered together in light of the purposes of copyright, not in isolation." *Sony Computer Entertainment America, Inc. v. Bleem, LLC*, 214 F.3d 1022, 1026 (9th Cir.2000). *See also, Los Angeles News Serv. v. Reuters Television Int'l.*, 149 F.3d 987, 993 (9th Cir.1998) (the fair use factors are "nonexclusive factors"); *Los Angeles News Service v. KCAL-TV Channel 9*, 108 F.3d 1119, 1121 (9th Cir.1997); *Lewis Galoob Toys, Inc. v. Nintendo of America, Inc.*, 964 F.2d 965, 970 (9th Cir.1992).

The first paragraph of this instruction describing the effect of a fair use finding is drawn from *Triad Sys. Corp. v. Southeastern Express Co.*, 64 F.3d 1330, 1336 (9th Cir.1995) (fair use permits use of copyrighted material in a reasonable manner without the consent of the copyright owner). *See also Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1527 (9th Cir.1992); *Los Angeles News Service v. Tullo*, 973 F.2d 791, 796 (9th Cir.1992) (in determining if use is fair, "the court must keep in mind the public policy underlying the Copyright Act").

The fifth numbered paragraph of the instruction reflects that the elements set forth in the statutory test of fair use in 17 U.S.C. § 107 are by no means exhaustive or exclusive. *See Dr. Seuss Enterprises*, 109 F.3d at 1399 (Congress considered the factors as guidelines, not definitive or determinative tests). *See also Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562 (1985). In appropriate circumstances, the court may enumerate additional factors. *See Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 585 n. 18 (1994) (defendant's good faith as factor); *Norse v. Henry Holt & Co.*, 847 F.Supp. 142, 147 (N.D.Cal.1994) (bad faith "can bar the fair use defense").

Further Comments: *Fair Use and Innocent Infringement; Specification of Fair Use Factors; Software Fair Use; Parody Fair Use.*

20.19 COPYRIGHT—AFFIRMATIVE DEFENSE—ABANDONMENT

The defendant contends that a copyright does not exist in the plaintiff's work because the plaintiff abandoned the copyright. The plaintiff cannot claim ownership of the copyright if it was abandoned. In order to show abandonment, the defendant has the burden of proving each of the following by a preponderance of the evidence:

1. plaintiff intended to surrender [ownership] rights in the work; and
2. an overt act by the plaintiff evidenced that intent.

Mere inaction [, or publication without a copyright notice,] does not constitute abandonment of the copyright; however, [this may be a factor] [these may be factors] for you to consider in determining whether the plaintiff has abandoned the copyright.

If you find that each of the elements [in Instruction 20.4] on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff, unless you also find that the defendant has proved each of the elements of this affirmative defense, in which event your verdict should be for the defendant.

Comment

The bracketed portion of the penultimate paragraph pertaining to publication without copyright notice should be used if the copyright infringement action is brought under the 1909 Act.

Abandonment is an affirmative defense. *See e.g., Abend v. MCA, Inc.*, 863 F.2d 1465, 1482 & n. 21 (9th Cir.1988), *aff'd*, 495 U.S. 207 (1990).

Abandonment of a right must be manifested by an overt act. *See Micro Star v. Formgen, Inc.*, 154 F.3d 1107, 1114 (9th Cir.1998). A copyright owner may abandon some rights and retain others. *Id.* (license that permitted the creation of derivative works from software, but also provided that licensees not distribute the derivative works commercially, did not abandon copyright holder's rights to profit commercially from derivative works).

See Hampton v. Paramount Pictures Corp., 279 F.2d 100 (9th Cir.1960) (overt act evidencing intent by copyright holder to surrender right in work was necessary for abandonment).

Further Comments: *Distinguishing Forfeiture from Abandonment; Distinguishing Waiver from Abandonment.*

20.20 DERIVATIVE LIABILITY—VICARIOUS INFRINGEMENT—ELEMENTS AND BURDEN OF PROOF

A person is liable for copyright infringement by another if the person has a financial interest and the right and ability to supervise the infringing activity whether or not the person knew of the infringement.

If you find that [*name of direct infringer*] infringed the plaintiff's copyright in [*alleged violation*], you may consider the plaintiff's claim that [*name of vicarious infringer*] vicariously infringed that copyright. The plaintiff has the burden of proving both of the following by a preponderance of the evidence:

1. the defendant had a financial interest in the infringing activity of [*name of direct infringer*]; and
2. the defendant had the right and ability to [supervise] [control] the infringing activity of [*name of direct infringer*].

If you find both of these elements are proved, your verdict should be for the plaintiff if you also find that [*name of direct infringer*] infringed plaintiff's copyright. On the other hand, if either of these elements was not proved, your verdict should be for the defendant [*insert name of alleged vicarious infringer*].

Comment

Vicarious and contributory infringement are legitimate theories of liability. *See Sony Corp. v. Universal City Studios*, 464 U.S. 417, 437–38 (1984).

Direct infringement is a prerequisite for finding third party liability. *A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1013 (9th Cir.2001). *See also Subafilms, Ltd. v. MGM–Pathe Communications*, 24 F.3d 1088, 1091–94 (9th Cir.1994) (en banc).

In certain cases, it may be appropriate to instruct the jury upon the meaning of "control" or "financial benefit" for purposes of vicarious infringement. *See A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1023–1024 (9th Cir.2001) (defendant's ability to block or police use of its internet service is evidence of the right and ability to supervise); *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 262–263 (9th Cir.1996) (detailing the elements of vicarious infringement in the absence of an employer-employee relationship).

Further Comments: *Knowledge of Direct Infringement; "Safe Havens."*

20.21 DERIVATIVE LIABILITY—CONTRIBUTORY INFRINGEMENT—ELEMENTS AND BURDEN OF PROOF

A person is liable for copyright infringement by another if the person knows or should have known of the infringing activity and [induces] [causes] [materially contributes to] the activity.

If you find that [name of direct infringer] infringed the plaintiff's copyright in [alleged violation], you may consider the plaintiff's claim that [name of contributory infringer] contributorily infringed that copyright. The plaintiff has the burden of proving both of the following elements by a preponderance of the evidence:

1. the defendant knew or should have known of [direct infringer's] infringing activity; and
2. the defendant [induced] [caused] [materially contributed to] [direct infringer's] infringing activity.

If you find both of these elements are proved, your verdict should be for the plaintiff if you also find that [name of direct infringer] infringed plaintiff's copyright. On the other hand, if either of these elements was not proved, your verdict should be for the defendant [insert name of alleged contributory infringer].

Comment

A defendant is not liable for contributory infringement simply for selling items that could be used in infringement, but that also have substantial noninfringing uses. *See Sony Corp. of Am. v. Universal City Studios*, 464 U.S. 417, 439–42 (1984) (manufacturer and seller of home videos was not liable for contributory infringement even though it had constructive knowledge that recorders would likely be used by some purchasers to make unauthorized tapes of copyrighted movies).

"[O]ne who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another, may be held liable as a 'contributory' infringer." *Gershwin Publishing Corp. v. Columbia Artists Management*, 443 F.2d 1159, 1162 (2d Cir.1971). *See also Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 264 (9th Cir.1996) (noting that *Gershwin* is applied in the Ninth Circuit).

In assessing the issue of contributory infringement, the court may examine both knowledge of current infringements as well as possible future infringements. *A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1022 (9th Cir.2001).

A direct infringement is a predicate to contributory infringement. *Id.* at 1013. *See also Subafilms, Ltd. v. MGM–Pathe Communications*, 24 F.3d 1088, 1092 (9th Cir.1994) (en banc) (claim for infringement cannot be brought against a defendant based on a theory that the defendant authorized acts of a third party that were noninfringing); *Lewis Galoob Toys, Inc. v. Nintendo of Am., Inc.*, 964 F.2d 965, 970 (9th Cir.1992) (contributory infringement involves instances in which a direct infringement occurs).

"[J]ust as benefit and control are signposts of vicarious liability, so are knowledge and participation the touchstones of contributory infringement." *Demetriades v. Kaufmann*, 690 F.Supp. 289, 293 (S.D.N.Y.1988)

Further Comments: *Inferring Contributory Infringement; On Contributory Infringement, Generally; "Safe Havens."*

20.22 COPYRIGHT—DAMAGES (17 U.S.C. § 504)

If you find for the plaintiff on the plaintiff's copyright infringement claim, you must determine the plaintiff's damages. The plaintiff is entitled to recover the actual damages suffered as a result of the infringement. Actual damages includes the profits lost by the plaintiff and any diminution in the market value of the copyright.

In addition to actual damages, the plaintiff is also entitled to recover any profits of the defendant attributable to the infringement. However, you may not include in an award of the defendant's profits any amount that you have taken into account in determining actual damages.

The plaintiff must prove damages by a preponderance of the evidence.

Comment

Give this instruction along with instruction 7.1 (Damages—Proof).

The copyright law allows the award of compensatory damages and infringer's profits. *See Eales v. Envtl. Lifestyles, Inc.*, 958 F.2d 876, 880 (9th Cir.1992); *Frank Music Corp. v. Metro-Goldwyn-Mayer, Inc.*, 772 F.2d 505, 512 n. 5 (9th Cir.1985).

Further Comments: *Election of Damages; Statutory Damages Required .*

20.23 COPYRIGHT—DAMAGES—ACTUAL DAMAGES (17 U.S.C. § 504(B))

The copyright owner is entitled to recover the actual damages suffered as a result of the infringement. Actual damages means the amount of money adequate to compensate the copyright owner for the reduction of the market value of the copyrighted work caused by the infringement. The reduction in the market value of the copyrighted work is the amount a willing buyer would have been reasonably required to pay to a willing seller at the time of the infringement for the use made by the defendant of the plaintiff's work. This can be measured by the [profits lost by the copyright owner][diminution in value of the copyright].

Comment

Add applicable paragraphs from Instruction 20.24 (Copyright Damages—Defendant's Profits).

The Ninth Circuit has described actual damages as consisting of "elements such as [1] the profits lost by the copyright holder, [2] the profits made by the infringer or [3] the diminution in value of the copyright. Such damages are designed to compensate the plaintiff and to prevent the defendant's unjust enrichment." *Nintendo of America, Inc. v. Dragon Pacific Int'l.*, 40 F.3d 1007, 1011 (9th Cir.1994). The profits made by the infringer are the subject of Instruction 20.24 (Damages—Defendant's Profits).

" 'Actual damages' are the extent to which the market value of a copyrighted work has been injured or destroyed by an infringement." *Frank Music Corp. v. Metro-Goldwyn-Mayer, Inc.*, 772 F.2d 505, 512–13 & n. 6 (9th Cir.1985). The diminution in value of the copyright is to be determined by the profit lost by plaintiff as a result of the infringement. *Id.* This is reflected by the lost fair market value and "all profits attributable to the defendant's infringement of the copyright and any ascertainable indirect profits." *Eales v. Env'tl. Lifestyles, Inc.*, 958 F.2d 876, 880 (9th Cir.1992). *See also Sid & Marty Krofft Television Prod. v. McDonald's Corp.*, 562 F.2d 1157, 1172–74 (9th Cir.1977) (discussing the difference between actual damages for reduction in value and infringer profits).

Once plaintiff establishes with reasonable certainty the loss due to the infringement, the burden shifts to the infringer to show that such loss would have occurred even in the absence of the infringement. *See Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 567 (1985).

Lost fair market value is "what a willing buyer would have been reasonably required to pay a willing seller for plaintiff's work." *Eales v. Env'tl. Lifestyles, Inc.*, 958 F.2d 876, 880 (9th Cir.1992).

Further Comments: *License Fee as Damage Measure; Extraterritoriality.*

20.24 COPYRIGHT—DAMAGES—DEFENDANT'S PROFITS (17 U.S.C. § 504(B))

In addition to actual damages, the copyright owner is entitled to any profits of the defendant attributable to the infringement. You may not include in an award of profits any amount that you took into account in determining actual damages.

The defendant's profit is determined by [deducting] [subtracting] all expenses from the defendant's gross revenue.

The defendant's gross revenue is all of the defendant's receipts from the [use] [sale] of a [product] [work] containing or using the copyrighted work. The plaintiff has the burden of proving the defendant's gross revenue by a preponderance of the evidence.

Expenses are all [operating costs] [overhead costs] [and] production costs incurred in producing the defendant's gross revenue. The defendant has the burden of proving the defendant's expenses by a preponderance of the evidence.

Unless you find that a portion of the profit from the [use] [sale] of a [product] [work] containing or using the copyrighted work is attributable to factors other than use of the copyrighted work, all of the profit is to be attributed to the infringement. The defendant has the burden of proving the [portion] [percentage] of the profit, if any, attributable to factors other than [copying] [infringing] the copyrighted work.

Comment

"Any doubt as to the correctness of the profit calculation should ... be resolved in favor of the plaintiff." *Eales v. Env'tl. Lifestyles, Inc.*, 958 F.2d 876, 881 n. 4 (9th Cir.) (Requirement that profits not be used in actual damage calculation "is designed to prevent a plaintiff from recovering twice for the same damages."), *cert. denied*, 506 U.S. 1001 (1992).

In the Ninth Circuit, the calculation of actual damages under the 1909 Copyright Act differs from that under the 1976 Copyright Act. Prior to 1985, the Ninth Circuit interpreted the 1909 Copyright Act as allowing recovery of only the higher of actual damages or infringer profits. This differed from other circuits, where recovery of both actual damages and the infringer's profits was allowed. However, in the 1976 Copyright Act, Congress resolved these differing interpretations. *See Frank Music Corp. v. Metro-Goldwyn-Mayer, Inc.*, 772 F.2d 505, 512 n. 5 (9th Cir.1985) ("Under the current [1976] Copyright Act ... a prevailing plaintiff is entitled to recover both actual damages and the infringer's profits.") (citing *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1023 (9th Cir.1985)), *cert. denied*, 474 U.S. 1059 (1986).

A jury instruction on defendant's profits must adequately convey the burden of proof on attribution of profit. The copyright owner is required to present proof "only of the infringer's gross revenue, and the infringer is required to prove ... deductible expenses" and "what percentage of the infringer's profits" were not attributable to copying the infringed work. *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 487 (9th Cir.2000).

Where defendant's profits are derived from both infringing and non-infringing activities, not all of defendant's profits can be attributed to the infringement. Accordingly, the profits should be apportioned. *See Cream Records v. Joseph Schlitz Brewing Co.*, 754 F.2d 826, 828–29 (9th Cir.1985). However, the benefit of the doubt in apportioning profits is given to the plaintiff. *See Frank Music Corp. v. Metro-Goldwyn-Mayer, Inc.*, 886 F.2d 1545, 1549 (9th Cir.1989). Precision is not required, as long as

a reasonable and just apportionment of profits is reached. *See Frank Music Corp.*, 772 F.2d at 518. In the final analysis, "where infringing and noninfringing elements of a work cannot be readily separated, all of a defendant's profits should be awarded to a plaintiff." *Nintendo of America, Inc. v. Dragon Pacific Intern.*, 40 F.3d 1007, 1012 (9th Cir.1994).

In a multi-defendant case, this instruction may need to be tailored according to the defendant to whom it applies. Where there are multiple infringers of a copyright, all infringers are jointly and severally liable for the plaintiff's actual damages, but each defendant is severally liable for the defendant's own illegal profits. *See Frank Music Corp.*, 772 F.2d at 519.

Further Comments: *Purpose of Profit Award; Examples of Calculation of Profits; Examples of Deductions from Defendant's Gross Revenue; Willful Infringement and Deductions.*

20.25 COPYRIGHT DAMAGES—STATUTORY DAMAGES—WILLFUL INFRINGEMENT—INNOCENT INFRINGEMENT (17 U.S.C. § 504(C))

If you determine that the defendant infringed the plaintiff's copyrighted work[s] in Instruction [[20.4 (Copyright Infringement—Elements—Ownership and Copying)] [insert number of infringement instruction]], you must consider the damages the defendant must pay to the plaintiff. The plaintiff seeks a statutory damage award, established by Congress for [the work infringed] [each work infringed, regardless of the number of infringements of each work]. Its purpose is to penalize the infringer and deter future violations of the copyright laws.

[You may award as statutory damages for the infringement of the plaintiff's copyrighted work an amount that you feel is just under the circumstances, provided that amount is not less than \$750, nor more than \$30,000. In this case, the plaintiff contends that the defendant infringed the plaintiff's copyrighted work and that an award of \$____ for that infringement would be just.]

[You may award as statutory damages an amount that you feel is just under the circumstances, provided that amount is not less than \$750, nor more than \$30,000 per work you conclude was infringed. In this case, the plaintiff contends that the defendant infringed [insert number] of the plaintiff's works and contends that [specify particular works and statutory damages amount requested for infringement of the particular work or works] would be just.]

Comment

The jury should be provided with a special interrogatory form in order to report its findings on the issue of statutory damages.

The Seventh Amendment provides for the right to a jury trial on statutory damage issues, including the amount of such award. *Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340, 355 (1998).

Under the Digital Theft and Deterrence and Copyright Damages Improvement Act of 1999, P.L. No. 106–60 (106th Cong. 1st. Sess), the minimum for statutory damages was raised from \$500 to \$750 per work infringed and the maximum was raised from \$20,000 to \$30,000 per work infringed. The statutory damage maximum for willful infringement increased from \$100,000 to \$150,000.

There is wide discretion in determining the amount of statutory damages, constrained only by the specified statutory maximum and minimum. *See Los Angeles News Serv. v. Reuters Television Intern.*, 149 F.3d 987, 996 (9th Cir.1998); *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1335 (9th Cir.1984) (The trier of fact must be guided by "what is just in the particular case, considering the nature of the copyright, the circumstances of the infringement and the like" restrained only by the qualification it be within the prescribed maximum or minimum.). *See also Peer Int'l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1336 (9th Cir.1990).

Because statutory damages serve both compensatory and punitive purposes, plaintiff can recover statutory damages whether or not there is adequate evidence of the actual damage suffered by plaintiff or the profits reaped by the defendant. *Harris*, 734 F.2d at 1335. *See also Peer Int'l Corp.*, 909 F.2d at 1337. "Even for uninjurious and unprofitable invasions of copyright the court may, if it deems it just, impose a liability within statutory limits to sanction and vindicate the statutory policy" of discouraging infringement. *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233 (1952). When an injury can be shown, but neither profits nor damages can be proven, statutory profits are

mandatory. *See Russell v. Price*, 612 F.2d 1123 (9th Cir.1979); *Pye v. Mitchell*, 574 F.2d 476, 481 (9th Cir.1978).

Modification to Instruction for Innocent Infringement Cases

When the defendant raises evidence regarding innocent infringement of the copyright, add the following two paragraphs to this instruction:

The defendant contends that the defendant innocently infringed the [*specify*] copyright[s]. If the defendant proves this by a preponderance of the evidence, you may, but are not required to, reduce the statutory damages for infringement of that work to a sum as low as \$200.

An infringement is considered innocent when:

1. the defendant was not aware that the defendant's acts constituted infringement of the copyright; and
2. the defendant had no reason to believe that the defendant's acts constituted an infringement of the copyright.

Whether defendant's infringement was innocent is a factual determination. *See Los Angeles News Serv. v. Reuters Television Int'l*, 149 F.3d 987, 995 (9th Cir.1998).

Even if the trier of fact finds that an infringement was innocent, this finding does not mandate a reduction in the statutory damages. *See Los Angeles News Serv. v. Tullo*, 973 F.2d 791, 800 (9th Cir.1992).

Modification of Instruction when Willful Infringement Alleged

When the plaintiff provides evidence regarding willfulness of the defendant's infringement of the copyright, add the following two paragraphs to this instruction:

The plaintiff contends that the defendant willfully infringed the [*specify*] copyright[s]. If the plaintiff proves by a preponderance of the evidence willful infringement, you may, but are not required to, increase the statutory damages for infringement of that work to a sum as high as \$150,000.

An infringement was willful when the defendant engaged in acts that infringed the copyright, and knew that those actions may infringe the copyright.

Although neither the Copyright Act nor its legislative history defines "willful," the Ninth Circuit defined willful as the defendant's "knowledge that the defendants' conduct constituted an act of infringement." *See Peer Int'l. Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1335–36 n. 3 (9th Cir.1990). To refute evidence of willful infringement, the defendant must "not only establish its good faith belief in the innocence of its conduct, it must also show that it was reasonable in holding such a belief." *Id.* at 1336 (a defendant who ignored the revocation of its license to a copyrighted work and continued to use the work after the revocation, willfully infringed that work). *See also Columbia Pictures Television v. Krypton Broadcasting of Birmingham, Inc.*, 106 F.3d 284, 293 (9th Cir.1997) ("Willful" means acting "with knowledge that [one's] conduct constitutes copyright infringement."), *rev'd on other grounds, Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340 (1998).

Further Comments: *Statutory Damage Limitations; Effect of Failure to Prove Actual Damages; Statutory Damages in Multiparty Cases; Statutory Damages in Multi-Work Cases; Innocent Infringement and Fair Use; Practicability and Innocent Infringement; Specificity of Knowledge for Willful Infringement; Contempt Finding and Willful Infringement; Willful Infringement and Attorneys' Fees.*

21. SECURITIES ACT

Analysis

Instruction

- 21.0 Securities Act—Preliminary Instruction.
- 21.1 Securities—Misrepresentation—Elements and Burden of Proof (15 U.S.C. § 78j(b)).
- 21.2 Securities—Misrepresentations or Omissions and Materiality—Definitions (15 U.S.C. §§ 78j(b) and 77k).
- 21.3 Securities—Scienter—Knowledge—Definition (15 U.S.C. § 78j(b)).
- 21.4 Securities Act—Excessive Trading (Churning)—Elements and Burden of Proof (15 U.S.C. § 78j(b), Rule 10b–5).
- 21.5 Securities Act—Excessive Trading (Churning)—Control—Definition (15 U.S.C. § 78j(b), Rule 10b–5).
- 21.6 Securities Act—Excessive Trading (Churning)—Intent to Defraud—Reckless—Definition (15 U.S.C. § 78j(b), Rule 10b–5).
- 21.7 Securities Act—Agent and Principal (15 U.S.C. § 78j(b), Rule 10b–5) (Comment Only).
- 21.8 Securities Act—Liability of Controlling Person—Elements and Burden of Proof (15 U.S.C. § 78j(b), Rule 10b–5).
- 21.9 Securities Act—Affirmative Defense of Broker or Dealer (Rule 10b–5).
- 21.10 Securities Act—False or Misleading Registration Statement—Elements and Burden of Proof (15 U.S.C. § 77e, Section 11).
- 21.11 Securities Act—Affirmative Defense of Waiver—Elements and Burden of Proof.
- 21.12 Securities Act—Affirmative Defense of Estoppel—Elements and Burden of Proof.
- 21.13 Securities Act—Affirmative Defense of Ratification—Elements and Burden of Proof.
- 21.14 Securities Act—Damages (15 U.S.C. § 78j(b), Rule 10b–5) (Comment Only).

21.0 SECURITIES ACT—PRELIMINARY INSTRUCTION

The plaintiff claims to have suffered a loss caused by the defendant's violation of the securities laws. To help you understand the evidence while it is being presented, I will now explain some of the terms and concepts that may be referred to during this trial.

A security is an investment in an enterprise with the expectation of profit from the efforts of other people. Some common types of securities are [stocks,] [bonds,] [debentures,] [warrants,] [and] [investment contracts].

A broker buys and sells securities for clients for a commission.

A dealer buys securities and resells them to clients. An individual or a corporation can be a broker, a dealer, or both.

The buying and selling of securities is controlled by the securities laws. One who violates the securities laws is liable for damages caused by the violation. In particular, the securities laws prohibit [misrepresentation of material facts] [omission of material facts] [and] [false registration] in connection with the purchase and sale of securities.

[A representative of a broker or dealer may also buy and sell securities for or to clients. If a representative violates the securities laws, the broker or dealer may also be liable as a controlling person. A controlling person is one who possesses the power to direct or cause the direction of the management or policies of another.]

[A controlling person may be excused from liability by proving that [he] [she] [it] acted in good faith and did not induce the act that violated the securities laws.]

**21.1 SECURITIES—MISREPRESENTATION—ELEMENTS AND BURDEN OF PROOF
(15 U.S.C. § 78J(B))**

[On the plaintiff's claim _____,] the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the defendant [made an untrue statement of a material fact] [or] [omitted a material fact necessary under the circumstances to keep the statements that were made from being misleading] in connection with the trading of securities;
2. the defendant acted knowingly;
3. the defendant [used] [or] [caused the use of] an [instrumentality of interstate commerce] [mail] [telephone] [or] [_____] in connection with the trading of securities [whether or not the [instrumentality of interstate commerce] [mail] [telephone] [or] [_____] was used to make an untrue statement or a material omission];
4. the plaintiff reasonably relied on [defendant's untrue statement of a material fact] [defendant's failure to state a necessary material fact] in [buying] [or] [selling] [or] [not selling] securities; and
5. the plaintiff suffered damages as a result of the defendant's [conduct] [misrepresentation] [omission].

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

See 15 U.S.C. § 78j(b) (unlawful to use deceptive device in connection with purchase or sale of a security) and 17 C.F.R. § 240.10b-5 (unlawful to use a device to defraud, to make an untrue statement of material fact, or to engage in a fraudulent act in connection with the purchase and sale of a security). See Instruction 21.3 (Securities—Scienter Knowledge—Definition) for definition of knowledge.

In *Gray v. Winthrop Corp.*, 82 F.3d 877, 884 (9th Cir.1996), the court confirmed the showing required, as outlined above, for the establishment of a 10b-5 claim. See *McGonigle v. Combs*, 968 F.2d 810, 817 (9th Cir.) *cert. dismissed*, 506 U.S. 948 (1992).

A presumption of reliance is said to arise when the fraud involves material omissions, *Affiliated Ute Citizens v. United States*, 406 U.S. 128, 153-54 (1972), or when a theory of fraud on the market is involved, *Basic, Inc. v. Levinson*, 485 U.S. 224, 247 (1988). In a "mixed case of misstatements and omissions," the presumption will only apply if the case primarily alleges omissions. *Binder v. Gillespie*, 184 F.3d 1059, 1063-64 (9th Cir.1999) (case resolved on summary judgment) *cert. denied*, 528 U.S. 1154 (2000). Accordingly, at trial, the court will have to resolve whether the presumption is applicable in light of the evidence. Additional instructions may be needed when this presumption could arise. See, e.g., *In re Convergent Technologies Sec.Litig.*, 948 F.2d 507, 512 n. 2 (9th Cir.1991) (in fraud on the market case, plaintiff need not show actual reliance on any misrepresentation or omission; instead the plaintiff must show reliance on the integrity of the price established by the market which was in turn influenced by the misleading information or the omission of information); *In re Apple Computer Sec.*

Litig., 886 F.2d 1109, 1115 (9th Cir.1989) (defendant may rebut evidence giving rise to the presumption of reliance), *cert. denied*, 496 U.S. 943 (1990).

21.2 SECURITIES—MISREPRESENTATIONS OR OMISSIONS AND MATERIALITY—DEFINITIONS (15 U.S.C. §§ 78J(B), 77K)

A fact stated or omitted is material if there is a substantial likelihood a reasonable buyer or seller of securities would consider the fact important in deciding whether or not to buy or sell a particular security.

Whether a fact stated or omitted is material depends on the facts as they existed at the time of the statement or omission.

Comment

The standard for materiality developed in *TSC Indus. v. Northway, Inc.*, 426 U.S. 438, 449 (1976) (whether a reasonable shareholder would "consider it important" or whether the fact would have "assumed actual significance") was explicitly adopted as the standard of materiality for actions under § 78j(b). *Basic Inc. v. Levinson*, 485 U.S. 224, 231 (1988).

The materiality of forward-looking individual data depends on the circumstances. *United States v. Smith*, 155 F.3d 1051, 1066 (9th Cir.1998) (observing that "determining materiality requires a nuanced, case-by-case approach"), *cert. denied*, 525 U.S. 1071 (1999).

The Ninth Circuit adopted various formulations from *TSC Indus.*, and *Basic Inc. Compare Kaplan v. Rose*, 49 F.3d 1363, 1371 (9th Cir.1994) (omission or misrepresentation would have misled a reasonable investor about the nature of his or her investment), *cert. denied*, 516 U.S. 810 (1995), and *In re VeriFone Sec. Litig.*, 11 F.3d 865, 869 (9th Cir.1993), with *In re Worlds of Wonder Sec. Litig.*, 35 F.3d 1407, 1413 n. 2 (9th Cir.1994) (substantial likelihood omitted fact would have been viewed by reasonable investor as having significantly altered the "total mix" of information; reasonable investor would have felt the fact "important" in deciding whether to invest), *cert. denied*, 516 U.S. 868 (1995), and compare *In re Stac Electronics Sec. Litig.*, 89 F.3d 1399, 1408 (9th Cir.1996) (same), *cert. denied*, 520 U.S. 1103 (1997), with *McGonigle v. Combs*, 968 F.2d 810, 817 (9th Cir.) (substantial likelihood that, under all the circumstances, the omitted fact would have assumed actual significance in deliberations of the reasonable shareholder), *cert. dismissed*, 506 U.S. 948 (1992).

This instruction should be adjusted for cases involving statements which imply rather than state factual assertions, such as statements of reasons, opinions or beliefs. *See Kaplan v. Rose*, 49 F.3d 1363, 1375 (9th Cir.1994) (projection or statement of belief is a "factual" misstatement if it (1) is not actually believed, or (2) there is no reasonable basis for the belief, or (3) the speaker is aware of undisclosed facts tending to seriously undermine the statement's accuracy), *cert. denied*, *Payne v. Kaplan*, 516 U.S. 810 (1995). *See also In re Wells Fargo Sec. Litig.*, 12 F.3d 922, 930 (9th Cir.1993), *cert. denied*, 513 U.S. 917 (1994); *In re Apple Computer Sec. Litig.*, 886 F.2d 1109, 1113 (9th Cir.1989), *cert. denied*, 496 U.S. 943 (1990).

In appropriate cases under 15 U.S.C. § 78j(b), the "safe harbor" provisions of 15 U.S.C. § 78u-5 should be examined. Even if material, when the alleged fraud concerns certain forward-looking statements the jury may be compelled to examine whether the statement falls within the safe harbor and therefore does not qualify as a fraudulent statement under the Act. *See* 15 U.S.C. § 78u-5(c).

21.3 SECURITIES—SCIENTER—KNOWLEDGE—DEFINITION (15 U.S.C. § 78J(B))

A defendant acts knowingly when [the defendant makes an untrue statement [with the knowledge that the statement was false] [or] [with reckless disregard for whether the statement was true]] [or] [the defendant omits necessary information [with the knowledge that the omission would make the statement false or misleading] [or] [with reckless disregard for whether the omission would make the statement false or misleading]].

[Reckless means highly unreasonable conduct that is an extreme departure from ordinary care, presenting a danger of misleading investors, which is either known to the defendant or is so obvious that the defendant must have been aware of it.]

Comment

See 15 U.S.C. § 78j(b) (unlawful to use deceptive device in connection with purchase or sale of a security); SEC Rule 10b–5, 17 C.F.R. § 240.10b–5 (1991) (unlawful to use a device to defraud, to make an untrue statement of material fact, or to engage in a fraudulent act in connection with the purchase and sale of a security).

The element of scienter was developed in *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, reh'g denied, 425 U.S. 986 (1976). In *Nelson v. Serwold*, 576 F.2d 1332, 1337 (9th Cir.), cert. denied, 439 U.S. 970 (1978), the court interpreted the *Ernst & Ernst* decision as only eliminating negligence as a basis for liability. The court found that Congress intended Section 10(b) to reach both knowing and reckless conduct. *Id.* at 1337.

"Recklessness," in the context of Section 10(b) and Rule 10b–5, was defined by the Ninth Circuit in *Hollinger v. Titan Capital Corp.*, 914 F.2d 1564, 1569 (9th Cir.1990) (en banc), cert. denied, 499 U.S. 976 (1991), and *In re Software Toolworks, Inc.*, 50 F.3d 615, 626 (9th Cir.1994), cert. denied, 516 U.S. 907 (1995). See Comment to Instructions 21.4 (Securities Act—Excessive Trading (Churning)—Elements and Burden of Proof) and 21.6 (Securities Act—Excessive Trading (Churning)—Intent to Defraud—Reckless—Definition).

In a securities action where the plaintiff's recovery of money damages requires proof that the defendant acted with a particular state of mind, the Private Securities Litigation Reform Act provides a defendant the right to require the court to submit an interrogatory to the jury regarding the defendant's state of mind at the time of the alleged violation.

**21.4 SECURITIES ACT—EXCESSIVE TRADING (CHURNING)—ELEMENTS AND
BURDEN OF PROOF (15 U.S.C. § 78J(B), RULE 10B–5)**

[On the plaintiff's _____ claim,] the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. the trading in the plaintiff's brokerage account was excessive in light of the plaintiff's investment objectives;
2. the defendant exercised control over the trading in the account;
3. the defendant acted [with intent to defraud] [or] [with reckless disregard of the plaintiff's investment objectives];
4. the defendant [used] [or] [caused the use of] an [instrumentality of interstate commerce] [mail] [telephone] [or] [_____] in connection with the trading in the plaintiff's account; and
5. the defendant's conduct caused damage to the plaintiff.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

See 15 U.S.C. § 78j(b) (unlawful to use deceptive device in connection with purchase or sale of a security) and 17 C.F.R. § 240.10b–5 (unlawful to use a device to defraud, to make an untrue statement of material fact, or to engage in a fraudulent act in connection with the purchase and sale of a security). *See also Nesbit v. McNeil*, 896 F.2d 380, 382–83 (9th Cir.1990) (elements of "churning" under 10b–5; no single factor or test identifies excessive trading); *Mihara v. Dean Witter Co.*, 619 F.2d 814, 821 (9th Cir.1980).

While the phrase "willful and reckless" was used in *Mihara* and *Nesbit*, the committee believes that the *Hollinger v. Titan Capital Corp.*, 914 F.2d 1564, 1569 (9th Cir.1990) (en banc), *cert. denied*, 499 U.S. 976 (1991) definition of "recklessness" accurately sets forth the standard and definition for liability in the Rule 10b–5 context for both misrepresentation and churning cases. *See* Comments to Instruction 21.3 (Securities—Science—Knowledge—Definition).

See the Comment to Instruction 21.14 (Securities Act—Damages) regarding special instructions on "churning" damages.

**21.5 SECURITIES ACT—EXCESSIVE TRADING
(CHURNING)—CONTROL—DEFINITION (15 U.S.C. § 78J(B), RULE 10B-5)**

A broker exercises control over trading in an account when [the client has authorized the broker to trade without first consulting the client] [or] [the client has not authorized the broker to trade and the broker trades] [or] [the client, without exercising independent judgment, routinely follows the broker's recommendations].

Comment

See Follansbee v. Davis, Skaggs & Co., 681 F.2d 673, 677 (9th Cir.1982) (when evaluating whether nonprofessional investor is in control of investor's account, the "touchstone is whether or not the customer has sufficient intelligence and understanding to evaluate the broker's recommendations and to reject one when he thinks it unsuitable"); *Mihara v. Dean Witter & Co.*, 619 F.2d 814, 821 (9th Cir.1980) (account need not be discretionary; "the requisite degree of control is met when the client routinely follows the recommendations of the broker").

21.6 SECURITIES ACT—EXCESSIVE TRADING (CHURNING)—INTENT TO DEFRAUD—RECKLESS—DEFINITION (15 U.S.C. § 78J(B), RULE 10B-5)

[Intent to defraud is an intent to deceive or cheat.]

[Reckless means highly unreasonable conduct that is an extreme departure from ordinary care.]

Comment

See Comments to Instructions 21.3 (Securities—Scienter—Knowledge—Definition) and 21.4 (Securities Act—Excessive Trading (Churning—Elements and Burden of Proof).

See Hollinger v. Titan, 914 F.2d 1564, 1568–69 (9th Cir.1990) (en banc) (reckless defined in context of omissions), *cert. denied*, 499 U.S. 976 (1991).

21.7 SECURITIES ACT—AGENT AND PRINCIPAL (15 U.S.C. § 78J(B), RULE 10B–5)

Comment

Use Instructions 6.4 (Agent and Principal—Definition), 6.5 (Agent—Scope of Authority Defined), and 6.6 (Act of Agent is Act of Principal—Scope of Authority Not in Issue) if there are no issues regarding the principal-agent relationship.

If there is an issue regarding the existence of the relationship or scope of authority, use Instruction 6.9 (Both Principal and Agent Sued—Agency or Authority Denied), Instruction 6.10 (Principal Sued, But Not Agent—Agency or Authority Denied), and Instruction 21.8 (Securities Act—Liability of Controlling Person—Elements and Burden of Proof).

Note, however, that the relationship between a controlling person and a controlled person is not necessarily a principal-agent relationship. *See Hollinger v. Titan Capital Corp.*, 914 F.2d 1564, 1574 (9th Cir.1990) (en banc) (no authority exists in the statutory scheme to restrict definition of controlling person to exclude independent contractors; court refused to distinguish between registered representatives who are employees or agents and those who might be independent contractors in determining who was a "controlling person"), *cert. denied*, 499 U.S. 976 (1991).

**21.8 SECURITIES ACT—LIABILITY OF CONTROLLING PERSON—ELEMENTS
AND BURDEN OF PROOF (15 U.S.C. § 78J(B), RULE 10B–5)**

The plaintiff claims that the defendant is a controlling person and is therefore liable under securities laws. On this claim, the plaintiff has the burden of proving by a preponderance of the evidence that the defendant [controlling person] possessed, directly or indirectly, the power to direct or cause the direction of the management and policies of [controlled person].

Comment

See 15 U.S.C. § 78t(a) (liability of controlling persons); 17 C.F.R. § 230.405 (definition of "control"); *Hollinger v. Titan Capital Corp.*, 914 F.2d 1564, 1578 (9th Cir.1990) (en banc) (broker-dealer is "controlling person" within meaning of Securities Act), *cert. denied*, 499 U.S. 976 (1991) .

For good faith defense, see Instruction 21.9 (Securities Act—Affirmative Defense of Broker or Dealer).

This instruction may need to be supplemented with instructions regarding respondent superior liability. *See* Instructions 6.4 (Agent and Principal—Definition); 6.5 (Agent—Scope of Authority Defined); 6.6 (Act of Agent Is Act of Principal—Scope of Authority Not an Issue); 6.7 (Both Principal and Agent Sued—No Issue as to Agency or Authority); 6.8 (Principal Sued but Not Agent—No Issue as to Agency or Authority); 6.9 (Both Principal and Agent Sued—Agency or Authority Denied); and/or 6.10 (Principal Sued, but Not Agent—Agency or Authority Denied).

Use this instruction with instructions on Rule 10b–5 misrepresentation and excessive trading.

**21.9 SECURITIES ACT—AFFIRMATIVE DEFENSE OF BROKER OR DEALER (RULE
10B–5)**

If you find that the defendant [*insert name of broker or dealer*] is a controlling person, you must consider whether the defendant induced a violation and acted in good faith. The defendant has the burden of proving both of the following elements by a preponderance of the evidence:

1. the defendant did not directly or indirectly induce the violation; and
2. the defendant acted in good faith. Good faith can be established only by proving that the defendant maintained and enforced a reasonable and proper system of supervision and internal control.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff, unless you also find that the defendant has proved this affirmative defense, in which event your verdict should be for the defendant.

Comment

This instruction is to be used for a controlling person who is a broker or dealer.

See 15 U.S.C. § 78t(a) (Section 20(a) of the 1934 Act (Liability of Controlling Persons)); *Hollinger v. Titan Capital Corp.*, 914 F.2d 1564, 1575–76 (9th Cir.1990) (en banc), *cert. denied*, 499 U.S. 976 (1991). The defendant has the burden of establishing its good faith. *Hollinger*, 914 F.2d at 1575–76. *Hollinger* also holds that Section 20(a) does not supplant respondent superior liability under the common law. *Id.* at 1578.

**21.10 SECURITIES ACT—FALSE OR MISLEADING REGISTRATION
STATEMENT—ELEMENTS AND BURDEN OF PROOF
(15 U.S.C. § 77E, SECTION 11)**

[On the plaintiff's _____ claim,] the plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. [the registration statement misrepresented a material fact] [or] [the registration statement omitted material facts making it misleading];
2. the defendant [*insert appropriate language from 15 U.S.C. § 77k(a)*]; and
3. the defendant's conduct caused damage to the plaintiff.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff. If, on the other hand, the plaintiff has failed to prove any of these elements, your verdict should be for the defendant.

Comment

See Securities Act of 1933, § 11, 15 U.S.C. § 77k (allowing cause of action on account of false registration statement). For the persons who may be held liable for a false registration statement, see 15 U.S.C. § 77k(a). For the measure of damages, see 15 U.S.C. § 77k(e).

See Ernst & Ernst v. Hochfelder, 425 U.S. 185, 208 (1976) (issuer has absolute liability under 15 U.S.C. § 77k for damages resulting from a material misstatement or omission).

For materiality definition, see Instruction 21.2 (Securities—Misrepresentations or Omissions and Materiality—Definitions).

21.11 SECURITIES ACT—AFFIRMATIVE DEFENSE OF WAIVER—ELEMENTS AND BURDEN OF PROOF

The defendant contends that the plaintiff waived the right to complain of the defendant's conduct.

The defendant has the burden of proving by a preponderance of the evidence that, at the time, the plaintiff knew the plaintiff had a right to complain of defendant's conduct and voluntarily or intentionally gave up that right.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff, unless you also find that the defendant has proved this affirmative defense, in which event your verdict should be for the defendant.

Comment

See Hecht v. Harris, Upham & Co., 430 F.2d 1202, 1208 (9th Cir.1970) (waiver is the voluntary or intentional relinquishment of a known right); *Royal Air Properties v. Smith*, 312 F.2d 210, 213–14 (9th Cir.1962) (common law defenses applicable to judicially-created private right of action under 10(b)), *appeal after remand*, 333 F.2d 568, 570–72 (9th Cir.1964).

For a general discussion on restrictions of waiver clauses in brokerage agreements, see Louis Loss, *Fundamentals of Securities Regulations*, at 1024–34 (2d ed. 1988).

21.12 SECURITIES ACT—AFFIRMATIVE DEFENSE OF ESTOPPEL—ELEMENTS AND BURDEN OF PROOF

The defendant contends the plaintiff is [barred] [estopped] from complaining of the defendant's conduct. The defendant has the burden of proving each of the following elements by a preponderance of the evidence:

1. the plaintiff knew [*describe facts that constitute basis for claim*];
2. the defendant did not know the plaintiff had objections to [*describe facts that constitute basis for claim*];
3. [the plaintiff intended that the defendant act upon the plaintiff's [acts] [omissions]] [or] [the defendant had a right to believe the plaintiff's [acts] [omissions] were to be acted upon]; and
4. the defendant relied upon the plaintiff's [acts] [omissions] to the defendant's injury.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff, unless you also find that the defendant has proved this affirmative defense, in which event your verdict should be for the defendant.

Comment

See TRW, Inc. v. FTC, 647 F.2d 942, 950–51 (9th Cir.1981) (four requirements of estoppel under federal law). *See also Stewart v. Ragland*, 934 F.2d 1033, 1041 (9th Cir.1991) (four elements of estoppel claim applying California common law).

21.13 SECURITIES ACT—AFFIRMATIVE DEFENSE OF RATIFICATION—ELEMENTS AND BURDEN OF PROOF

The defendant contends the plaintiff ratified the defendant's conduct. The defendant has the burden of proving, by a preponderance of the evidence, that the plaintiff communicated to the defendant, by words or actions, that the plaintiff accepted and approved of the conduct.

If you find that each of the elements on which the plaintiff has the burden of proof has been proved, your verdict should be for the plaintiff, unless you also find that the defendant has proved this affirmative defense, in which event your verdict should be for the defendant.

Comment

See Royal Air Properties v. Smith, 312 F.2d 210, 213–14 (9th Cir.1962) (common law defenses applicable to judicially-created private right of action under 10(b)), *appeal after remand*, 333 F.2d 568, 570–72 (9th Cir.1964).

21.14 SECURITIES ACT—DAMAGES (15 U.S.C. § 78J(B), RULE 10B–5)

Comment

See Instruction 7.1 (Damages–Proof) for format. The measure and type of damages should be drafted to fit the facts and law in each particular securities case.

See also Instructions 7.2 (Measures of Types of Damages); 7.3 (Damages–Mitigation); 7.4 (Damages Arising in the Future–Discount to Present Cash Value).

There are two different types of damages in churning cases. A plaintiff may recover excessive commissions, that is, the difference between commissions paid and commissions that would have been reasonable on transactions during the pertinent time period. *Nesbit v. McNeil*, 896 F.2d 380, 387 (9th Cir.1990). A plaintiff may also recover for portfolio losses. *Hatrock v. Edward D. Jones*, 750 F.2d 767, 773–73 (9th Cir.1984). Dividend income may be used to offset portfolio losses. *Arrington v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 651 F.2d 615, 621 (9th Cir.1981). However, excessive commissions should not be offset by portfolio gains made on the investments. *Nesbit*, 896 F.2d at 385.

22. CIVIL RICO

INTRODUCTORY COMMENT

A private civil action may be brought by a plaintiff under the provisions of the Racketeer Influenced and Corrupt Organizations Act (RICO), alleging a violation of Title 18 U.S.C. § 1962(a), (b), (c) or (d).

Regarding the elements which a plaintiff must prove to recover under 18 U.S.C. § 1962(c), see *Sedima v. Imrex Co., Inc.*, 473 U.S. 479, 496 (1985) (18 U.S.C. § 1962(c) requires (1) conduct (2) of an enterprise (3) through a pattern (4) of racketeering activity; in addition, the plaintiff can only recover to the extent he has been injured in his business or property by the conduct constituting the violation).

Evidence that a defendant knew of the scheme or even benefitted from the scheme is not enough to impose RICO liability; there must be evidence that the defendant agreed to have some part in directing the affairs of the enterprise. *Neibel v. Trans World Assurance Co.*, 108 F.3d 1123, 1128 (9th Cir.1997).

An enterprise under RICO must have an ascertainable structure separate from that inherent in the racketeering activity; also, a conspiracy is not, in and of itself, an enterprise for purposes of RICO. *Chang v. Chen*, 80 F.3d 1293, 1298 (9th Cir.1996).

Section 1962(d) applies to intracorporate, as well as intercorporate conspiracies; thus, it is possible for a corporation to engage in a RICO conspiracy with its own officers and representatives. *Webster v. Omnitrition Int'l*, 79 F.3d 776, 787 (9th Cir.1996).

RICO liability is not limited to those with a formal position in the enterprise, but some part in directing the enterprise's affairs is required. *Baumer v. Pacht*, 8 F.3d 1341, 1344 (9th Cir.1993).

RICO was intended to combat organized crime, not to provide federal cause of action and treble damages to every tort plaintiff. *Oscar v. University Students Co-operative Ass'n*, 965 F.2d 783, 786 (9th Cir.1992).

A "pattern of racketeering activity" exists when a person commits two or more specified acts that have sufficient continuity as to pose a threat of continued criminal activity. *Ticor Title Ins. Co. v. Florida*, 937 F.2d 447, 450 (9th Cir.1991).

For Pattern Instructions which may be helpful, see Fifth Circuit *Pattern Jury Instructions* (Civil) (West Group, 1999), Instruction 8.1 and Eleventh Circuit *Pattern Jury Instructions* (Civil) (West Group, 2000), Instruction 5.1.

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